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Proprietary Funds:

Statement of Net Assets

Statement of Revenues, Expenses, and Changes in Fund Balances - Proprietary Funds

Statement of Cash Flows

Proprietary Funds:

Statement of Net Assets

Statement of Revenues, Expenses, and Changes in Fund Balances - Proprietary Funds

CITY OF DOVER, NEW HAMPSHIRE

Comprehensive Annual Financial Report

For the Year Ended June 30, 2010

INTRODUCTORY SECTION

Letter from the Mayor

Letter from the Finance Director

Statement of Net Assets

Statement of Revenues, Expenses, and Changes in Fund Balances - Governmental Funds

Statement of Cash Flows

Statement of Net Assets

Statement of Revenues, Expenses, and Changes in Fund Balances - Governmental Funds

Statement of Cash Flows

Statement of Net Assets

Statement of Revenues, Expenses, and Changes in Fund Balances - Governmental Funds

Statement of Cash Flows

Statement of Net Assets

Statement of Revenues, Expenses, and Changes in Fund Balances - Governmental Funds

Statement of Cash Flows

Prepared by:

The Finance Department

Daniel R. Lynch

Finance Director

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CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2010

Prepared by:
The Finance Department

Daniel R. Lynch
Finance Director

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J. Michael Joyal, Jr.
City Manager

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City of Dover, New Hampshire
OFFICE OF THE CITY MANAGER

March 28, 2011

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This Comprehensive Annual Financial Report (CAFR), including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2010.

The CAFR covers all funds of the City of Dover that by law, City Charter, or other fiduciary obligation, the City has become obligated to administer in connection with its responsibility providing services.

This report consists of the management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Macdonald Page & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ending June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the finan-

cial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Users of this CAFR are encouraged to read this Letter of Transmittal in conjunction with the City's MD&A section found immediately following the report of the independent auditors.

Profile of Government

Geography. Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles and serves a population of 26,884, based on the 2000 Census.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter adopted on March 9, 1977, remained in effect until a new charter was passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. On November 6, 2007, the charter was amended establishing a limitation on annual budget increases. On November 10, 2010 the New Hampshire Supreme Court ruled that the November 6, 2007 charter amendment is invalid since it is contrary to state law. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

Services. The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution,

wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

Governing Boards. The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital improvements program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

Administration. Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

Fiscal Year and Budget. The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$10,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, annual operating budget or other type of financing.

Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget for the next fiscal year,

which includes the School Board request, is due to the City Council by April 15th of each year.

The City Council may add to, or cut from, the Manager's recommended annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1.

After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

Local Economy. The local Economic environment over the past fiscal year has declined moderately in specific activity sectors including manufacturing, residential and commercial construction, and a variety of services in financial, hospitality and general retail areas. Economic development activity continues to support existing business retention with some success despite the loss of critically important credit and financing availability for local small businesses.

Through vigorous business relocation outreach coupled with the extraordinary municipal spending restraint, wage freezes and salary cuts, in the City's municipal operations and the approval of three Economic Revitalization Zone Districts have successfully brought fifteen new businesses and 275 new jobs into the City.

The expanding healthcare footprint in the City and its proximity to UNH, Pease Tradeport, and the Portsmouth Shipyard have continued to add stability to the economic mix and has kept unemployment in Dover well below that of New Hampshire, the surrounding communities and the nation.

New Hampshire's GDP and local labor force, in moderate decline since the end of fiscal year 2008, have now stabilized. At the conclusion of the 2010 fiscal year, the labor force for the Dover Region, unadjusted, was 68,630; an increase of 980 or about 1.0% from the prior fiscal year end. Included in these numbers was a resident Dover labor force of 16,540, increasing by 1.0% from the prior fiscal year.

Dover's local unemployment rate is currently at 5.2%, which is 1.0% lower than this time last year and has improved by 0.2 % since March of 2010. The seasonally adjusted unemployment rate for Dover, consistently lower than that of the U.S. (9.5%) and the State of New Hampshire (5.7%) was unchanged at the end of fiscal year 2010. The national unemployment rate decreased by 0.1% in the same period.

In combination with the current economic environment and unemployment levels, the per capita personal income in Dover decreased by an estimated 1.0% from \$29,628 in FY09 to \$29,358 in FY10.

The number of motor vehicle permits increased to 28,334 in FY10 as compared to 27,665 in FY09. The number of building permits increased from 349 in FY09 to 396 in FY10 and the average permit value decreased from \$96,674 to \$73,795. Despite a slowing in residential development in Dover and across the country, commercial property development has continued at a slow pace throughout the year.

Although residential development has slowed considerably, the City saw modest commercial growth during fiscal year 2010. Planning efforts have continued in anticipation of future residential and multi-use development projects being undertaken. Changes to the land use regulations have been put in place to both encourage community character, but also streamline the regulations and remove obstacles to context sensitive development.

Residential sales continue to decline but appear to be stabilizing as the \$8,000 first time buyer incentive (now discontinued), low mortgage rates, and declining prices (now stabilizing) are somewhat offset by more stringent down payment and credit quality requirements from lenders. Time will determine whether these one-time incentives can sustain the recent uptick in home sales. The decline in sales has affected the number of residential projects before the Planning Board. In general the projects are smaller and more targeted to a market segment than in past years.

Modest commercial development growth exists, primarily in building rehabilitation rather than new construction, but is in an early decline cycle, following residential by about 18 months.

Hospitality industry development has continued in proximity to the Liberty Mutual and Measured Progress companies at the north end of the City, but hotel occupancy rates are marginal.

The Exit 9 location on the Spaulding Turnpike has continued to experience development activity. The 100,000 sq. ft. medical practices building recently completed has reached full occupancy. The Exit 9 Transportation Center is now fully utilized as a hub for inter and intra city park and ride as well as by commuters to Boston, Boston-Manchester Airport and Logan Airport.

In the downtown area, the Childrens' Museum of New Hampshire attracted 130,000 visitors in their first full year of operation in Dover bringing added vibrancy, customer traffic, and new dollars to downtown businesses and restaurants. Recently, there has been development of retail space within the Cochecho Falls Mill across the street from the Museum. This development shows the potential growth in retail uses along the Washington Street Corridor.

To further expand the downtown, the City has taken advantage of rezoning efforts in 2009 to create a more flexible and innovative development environment through the

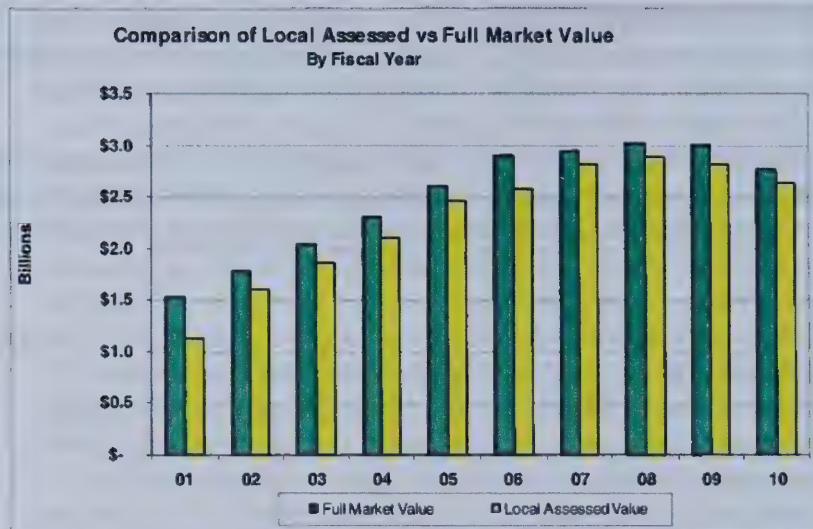
addition of the Form Based Code style of zoning. This zoning encourages mixed uses, and places a higher emphasis on height, massing and placement of a building than on the uses contained within the building. To date the Planning Board has reviewed one project, a forty-eight (48) unit residential project consisting of two buildings along School Street. These units will have dramatic views of the waterfront and will be sold to individual owners. These two buildings will build on the successful design elements of the Centrix Bank building which opened in 2009 at the north end of downtown Dover.

The integration of the Dover waterfront redevelopment into the downtown continues with the opening of the Washington Street Bridge and the relocation of the pedestrian covered bridge. These additions coupled with the continued work of Dickenson Development to engineer and ultimately permit the portion of privately financed project includes commitments to construct high end residential condominium units, more than 30,000 square feet of new retail and office space, boating facilities and a restaurant along the riverfront

In the Locust Street industrial Park, three new electronics assembly and component businesses are in a formerly vacant building, bringing 65 new jobs. In the Enterprise Business Park, one new relocation candidate company is considering building on available parcels owned by DBIDA.

The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid-point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.





Full market value as determined by the NH Department of Revenue Administration decreased 0.6% during the fiscal year. Assessed value as a ratio of full market value was 94.7%. In the second half of fiscal year 2010 the City's assessed property values appeared to reach the end of a two-year decline with many

residential properties demonstrating stabilization in values based on sales data. As of April 1, 2010 the City's overall residential assessed values demonstrated a .74% increase in value over the prior year

The recent difficulties in the national credit market have taken a toll on real estate activity throughout New England. While New Hampshire and Dover, in particular, are not immune, the level of decline in real estate transactions during the past year has been relatively small. The real estate sales activity in Dover for FY10 was 689 transactions versus 712 for FY09. This level of activity represents transfers of 7.0% of taxable parcels during FY10 down slightly from 7.3% in FY09. In conjunction with this activity, the number of taxable parcels increased from 9,808 in FY09 to 9,825 in FY10, a less than 1.0% increase. This increase in taxable parcels in combination with a stabilization of property values has resulted in the equalized property value per capita increasing from \$102,322 for FY09 to \$105,211 in FY10, an increase of 2.8% for the fiscal year.



The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2010 increased slightly to 5.2% as compared to 4.6% in FY09 (actual amount increasing from \$2.6 million to \$3.1 million). There were 417 parcels from the current tax levy with outstanding taxes that had a lien placed, up from 380 last year. The number of delinquent parcels

increased by 37 or .9%, however, the dollar amount of the liens increased slightly to 2.6% of the tax levy as compared to 2.4% for last year. The actual amount of the executed lien increased 1.4% from \$ 1,376,789 to \$1,568,381.

Financial Position. The City's General Fund ended Fiscal Year 2010 with an increase to its Undesignated Fund Balance of \$362,958 to \$5.47 million.

The General Fund undesignated fund balance at June 30, 2010 was 6.47% of the FY11 budget (6% is the minimum requirement of the City Financial Policies). The Water Fund saw a decrease in unrestricted net

Unreserved Net Assets		
Fund	FY10	FY09
General	5,477,269	5,114,311
Water	1,070,952	1,147,628
Sewer	2,060,818	5,185,589
Total	8,609,039	11,447,528

assets of \$76,676, from \$1,147,628 to \$1,070,952. The Sewer Fund saw a decrease in unrestricted net assets of \$3.1 million, from \$5,185,589 to \$2,060,818. A significant portion of the decrease in unrestricted net assets of the Sewer Fund is the result of debt obligations remaining at a level of \$11.0 million, while state aid grants related to projects debt financed in 1990 thru 1992 are coming to the end of the grant term. In fiscal year 2010 this represents a \$1.0 million impact. The Sewer Fund has an increase of \$1.9 million in Construction in Progress in fiscal year 2010, the cash funding this work is loaned by the General Fund while the City awaits reimbursements from the State Revolving Loan Program for the River Street Pump Station and Wastewater Treatment Facility Aeration Blower projects.

In FY 2009 the Arena Fund was dissolved into the City's General Fund. The City continues efforts to balance the fiscal operations of the Arena, including scheduled fee increases and expenditure control.

The liquidity of the General, Water and Sewer Funds is good and continues to show a favorable trend. This is based on the quick ratio which is a measure of current assets (excluding inventories) divided by current liabilities. The General Fund had a quick ratio of 1.08 with Water and Sewer Funds of 5.0 and 3.1, respectively. A ratio of 1 is considered satisfactory.

The amount of debt incurred by the City remains below the State statutory limits as set forth in RSA 33:4-a for the City and School District, and RSA 33:5-a for the Water Fund. There is no statutory debt limit for the Sewer Fund. The State statutory limit for the City is 3% of Base valuation as determined by the New Hampshire Department of Revenue Administration (NH DRA), the statutory limit for the School District is 7% of Base valuation as determined by NH DRA, and the statutory limit for the Water Fund is 10% of base valuation as determined by NH DRA. As of June 30, 2010 the City had utilized 53.9% of its statutory debt limit, the School District utilized 16.1% of its statutory debt limit, and the Water Fund had utilized 4.8% of its statutory debt limit.

The City Council established self-imposed policy limits that are significantly lower than those set by State statute. As of June 30, 2010 the percent of the City's more

conservative debt policy used was 82.9%, the School was 107.3%. General Fund net debt per capita is at \$2,498, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value is 2.67%. The General Fund's net debt service as a percent of budget is 10.9%. Although this measure is higher than the 8% recommended by policy, it is partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt.

The Water and Sewer funds also remained within the City Council self-imposed policy limits with 96.4% and 31.1% used respectively. Net debt service to budget in the Water Fund is 34.2% and 22.5% within the Sewer Fund, within the 40% set by policy.

In 2010 Moody's reaffirmed the City's A1 rating and in May 2010 Moody's recalibrated the City's rating from the Municipal Rating Scale to the Global Rating Scale which resulted in the City's current rating of Aa2. Standard & Poor's reaffirmed their AA rating of the City in 2010.

Policy Monitoring, Long Term Financial Planning, and Responding to the Impact of the U.S. Economic Decline

In 1996 the City Council, through the recommendation of an Ad Hoc Financial Planning Committee, adopted a comprehensive set of 12 City Financial Policies. These 12 policies addressed 6 major financial goals: Maintenance of Fund Reserves, Capital Improvements Program, Debt Management, Cash Management, Management of Enterprise Funds, and Budget Management. The City Council identified that various operational, financial and economic conditions have changed over the course of the past 14 years, and most recently the decline of the national and state economy, necessitated the need to review and update the financial policies to ensure continuing improvement and sustaining of the City's financial health over the long term. On January 13, 2010 the City Council created a new Ad Hoc Financial Policy Review Committee charged with reviewing the City's financial policies and identify necessary updates due to changing circumstances and allow for implementation of best practices affording the greatest opportunity for sustaining and improving upon the municipal corporation's financial position and overall well-being of the Dover community. The committee has completed their review and has issued a report of their final recommendations to the City Council on March 16, 2011. These recommendations include maintaining all of the existing policy statements with updates to several of the benchmark indices. In addition, several new policy statements are also included in the recommendations reflecting the most current best practices identified by the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting. The Committee's report of recommendations addresses areas such as Stabilization Funds, Fees and Charges, Debt Issuance and Management, Use of One-Time and Unpredictable Revenues, Balanced Budgeting Practices, Revenue Diversification, and Contingency Planning. A copy of the Committee's report of recommendations to the City Council is available on the City's website.

The City Council routinely adopts fiscal initiatives to respond to the changes in the economy that have resulted in impacts such as declines to non-property tax revenues and the community's tolerance for tax increases. The City Council has limited adoption of bonding authorizations to be consistent with the annual amount of debt being retired by the City's tax supported General Fund. The objective of this initiative is to move the City away from recurring debt financing and funding capital reserves at an appropriate level to move from debt financing certain capital outlay.

The City Manager, with the concurrence of the City Council, directed departments to reduce expenditures in FY2010 to counter-balance both expected revenue shortfalls and increases in certain costs, while ensuring that operations resulted in maintaining a General Fund balance that is consistent with the current 6% policy limit.

The City Administration conducts an on-going evaluation of fiscal operations to insure that expenditures are managed in concert with revenues to insure General Fund Balance is maintained consistent with City policy limit.

The City recognizes the importance of a formal process for long term financial planning and forecasting. The City has procured a formal forecasting software application to aid in financial planning. The City has populated the software with necessary data and has utilized this tool to provide some insight to the Ad-Hoc Financial Policy Committee as the committee evaluated policy recommendations. The software will be utilized to provide formal fiscal forecasting reports complete with national, regional, and local economic overviews, and a 5-year projection of both General Fund operations and tax levy impacts as part of the budget process for fiscal year 2013.

Acknowledgements

This report continues to refine the financial reporting of the City. It is the sixth year the City has produced a comprehensive annual financial report (CAFR). This report includes Governmental Accounting Standards Board's Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement of the City, is incorporated into the financial statements and the footnotes.

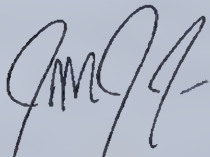
The Government Finance Officers Association of the United States and Canada (GFOA) awarded six consecutive Certificates of Achievement for Excellence in Financial Reporting to the City of Dover, NH for its Comprehensive Annual Financial Report beginning for the fiscal year ended June 30, 2004 through June 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report.

The Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Programs' requirement and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.

The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JMJ", with a stylized flourish at the end.

J. Michael Joyal, Jr.
City Manager

A handwritten signature in black ink, reading "Daniel R. Lynch" in a cursive script.

Daniel R. Lynch
Finance Director

City of Dover

Organizational Chart





City of Dover

New Hampshire

FISCAL YEAR 2010

City Council Members

Mayor: Scott Myers

Ward 1: Robert Carrier

Ward 2: William Garrison

Ward 3: Jan Nedelka

Ward 4: Dorothea Hooper

Ward 5: Catherine Cheney

Ward 6: Gina Cruikshank

At Large: Dean Trefethen

At Large: Karen Weston

City Manager

J. Michael Joyal, Jr.

City Departments

Finance

Planning

Police

Fire and Rescue

Community Services

Public Library

Recreation

Human Services

Daniel R. Lynch

Christopher G. Parker

Anthony F. Colarusso, Jr.

Perry Plummer

Douglas W. Steele, II

Cathy Beaudoin

Gary Bannon

Lena C. Nichols

School Board

At Large: Beth Setear

At Large: Kenneth Appel

At Large: Carolyn Mebert

At Large: Matt Mayberry

At Large: Audra Lurvey

At Large: Robert McCrory

At Large: Doris Grady

Student Rep: Olivia Loos

Superintendent of Schools

Jean Briggs Badger

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover
New Hampshire

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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FINANCIAL SECTION

Independent Auditors' Report

To the Mayor and City Council
City of Dover, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dover's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2011 on our consideration of the City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The introductory section, supplementary statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macdonald Page & Co LLC

South Portland, Maine
March 28, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2010. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$133,779,382 (i.e., net assets), an increase of \$3,293,167 in comparison to the prior year.
- As of the close of the current fiscal year, total of assets of governmental activities exceeded liabilities by \$76,085,888 (i.e., net assets), an increase of \$4,251,893 in comparison to the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$57,693,494, a decrease of \$958,726 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$26,511,720, an increase of \$2,129,079 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,477,269, an increase of \$362,958 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$103,473,260, an increase of \$3,460,905 in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or

decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water and sewer utilities, and Dover Business and Industrial Development Authority (DBIDA) activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water and sewer utilities, and the Dover Business & Industrial Development Authority (DBIDA).

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Internal service funds are used to account for central data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utilities, and DBIDA operations, all of which are considered to be major funds.

In fiscal year 2010 the City changed the accounting in the DBIDA Fund for a building lease. The lease was formerly accounted for as a capital lease and in FY 2010 the lease is reported as an operating lease. The change resulted in presenting the most significant asset as a building and related land improvements rather than as a lease receivable. Net assets were not affected by this change in presentation.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board*.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$133,779,382, an increase of \$3,293,167 from the prior year.

Financial Position. The following is a summary of condensed government-wide financial data of net assets for the current and the prior fiscal years.

<u>NET ASSETS</u>						
Amounts presented in 000s						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	2009	2010	2009	2010	2009	2010
Current and Other Assets	\$ 34,130	\$ 37,854	\$ 16,013	\$ 13,442	\$ 50,143	\$ 51,296
Other Assets	401	456	2,626	2,265	3,027	2,721
Capital Assets	140,113	145,943	65,408	67,765	205,521	213,708
Total Assets	\$ 174,644	\$ 184,253	\$ 84,047	\$ 83,472	\$ 258,691	\$ 267,725
Current Liabilities	\$ 13,575	\$ 14,912	\$ 3,546	\$ 3,771	\$ 17,121	\$ 18,683
Noncurrent Liabilities	89,237	93,255	21,849	22,007	111,086	115,262
Total Liabilities	\$ 102,812	\$ 108,167	\$ 25,395	\$ 25,778	\$ 128,207	\$ 133,945
Net Assets:						
Invested in Capital Assets	\$ 76,018	\$ 80,025	\$ 46,561	\$ 48,634	\$ 122,579	\$ 128,659
Restricted	240	357	6,388	6,692	6,628	7,049
Unrestricted	(4,426)	(4,296)	5,703	2,368	1,277	(1,928)
Total Net Assets	\$ 71,832	\$ 76,086	\$ 58,652	\$ 57,694	\$ 130,484	\$ 133,780

By far, the largest portion of net assets, \$128,658,552 or 96.2 percent, reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less depreciation and any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$7,049,358 represents resources that are subject to external restrictions on how they may be used. The remaining net balance (deficit) represents unrestricted net assets at the end of the fiscal year of \$(1,928,528).

The unrestricted net asset balance consists of a deficit of \$4,296,357 for governmental activities and a balance of \$2,367,829 for business-type activities. The governmental activities net assets include the reflection of major liabilities of the Tolend Road Landfill mitigation of \$5,268,834, compensated absences of \$3,032,469, other post employment benefits (OPEB) of \$12,419,302 and the impact of absorbing the Arena Enterprise Fund deficit into the General Fund during the prior fiscal year.

The \$5,268,834 for Tolend Road Landfill mitigation represents the mitigation costs and the post mitigation maintenance and monitoring costs. This is a decrease of \$1,333,773 from the prior year. The decrease in the liability is reduced by expenditures incurred from available bond proceeds. In FY 2009 the City financed \$3,900,000 of the remaining landfill liability through long-term debt, of which the unexpended portion of proceeds is included in the Tolend Road Landfill Closure Fund fund balance of \$2,910,144, as of June 30, 2010. The City anticipates the remaining liability for mitigation costs to be financed with long-term debt which is included in the City's six year Capital Improvements Program. The maintenance and monitoring costs are expected to be financed within the annual operating budget, as needed.

The \$3,030,469 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is an increase of \$31,284 from the prior year. The City has funded \$522,338 of the liability.

The \$12,419,302 OPEB liability represents the accounting treatment required by Governmental Accounting Standards Board (GASB) Statement No. 45. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. The portion of the liability reflected in the Financial Statements is the initial five years of a 30 year amortization of the total liability. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. City employees hired after the cut-off date are eligible on a self pay basis only but impact the premiums of the health plans of all City employees. School employees are on a self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

Group	Eligible Employees and Retirees	Average Total Liability per Person
City	316	\$ 128,018
School	413	4,160
Combined	729	\$ 132,178

Please refer to the Financial Statement footnote 18 and Required Supplemental Information for more on the OPEB liability.

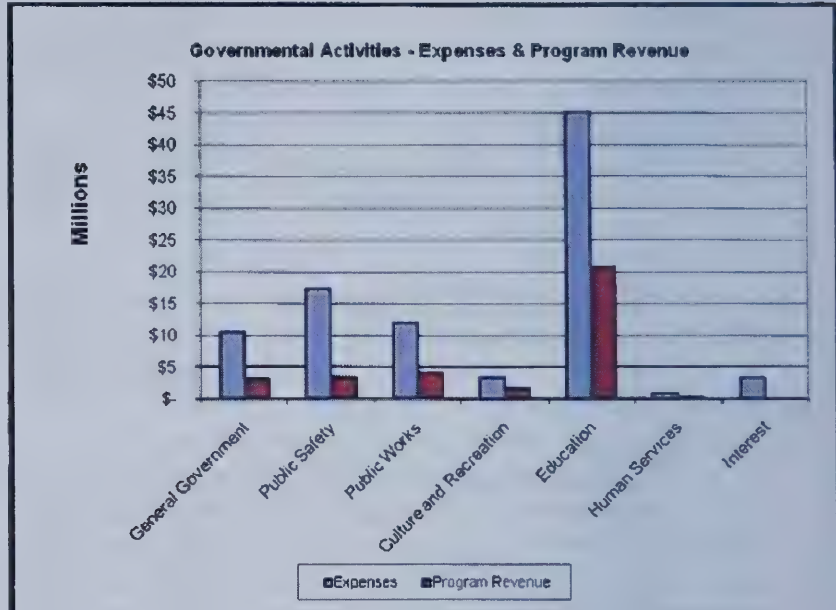
Financial Results. The following is a summary of condensed government-wide financial data of changes in net assets for the current fiscal and prior fiscal years.

<u>CHANGE IN NET ASSETS</u>						
Amounts presented in 000s						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 20,219	\$ 13,903	\$ 8,176	\$ 8,102	\$ 28,395	\$ 22,005
Operating grants and contributions	9,279	18,092	-	-	9,279	18,092
Capital grants and contributions	2,994	905	424	135	3,418	1,040
General revenues:						
Property taxes	58,490	60,266	-	-	58,490	60,266
Motor vehicle registration	3,692	3,568	-	-	3,692	3,568
Penalties and interest on taxes	8	307	-	-	8	307
Investment income	17	(109)	40	146	57	37
Other	494	207	-	-	494	207
Total Revenues	95,193	97,139	8,640	8,383	103,833	105,522
Expenses:						
General government	9,949	10,514	-	-	9,949	10,514
Public safety	16,154	17,405	-	-	16,154	17,405
Public works	10,622	11,922	-	-	10,622	11,922
Culture and recreation	3,670	3,498	-	-	3,670	3,498
Education	45,930	45,268	-	-	45,930	45,268
Human services	740	862	-	-	740	862
Intergovernmental	-	-	-	-	-	-
Interest on long-term debt	3,131	3,288	1,142	1,060	4,273	4,348
Water operations (1)	-	-	2,886	3,301	2,886	3,301
Sewer operations (1)	-	-	4,937	4,934	4,937	4,934
Arena operations (1)	-	-	39	-	39	-
DBIDA operations	-	-	48	176	48	176
Total Expenses	90,196	92,757	9,052	9,471	99,248	102,228
Change in Net Assets before Transfers	4,997	4,382	(412)	(1,088)	4,585	3,294
Transfers in (out)	(1,227)	(130)	1,227	130	-	-
Change in Net Assets	3,770	4,252	815	(958)	4,585	3,294
Net Assets - beginning of year	68,062	71,833	57,837	58,652	125,899	130,486
Net Assets - end of year	\$ 71,833	\$ 76,085	\$ 58,652	\$ 57,694	\$ 130,484	\$ 133,780

(1) Excludes interest on long-term debt reflected separately.

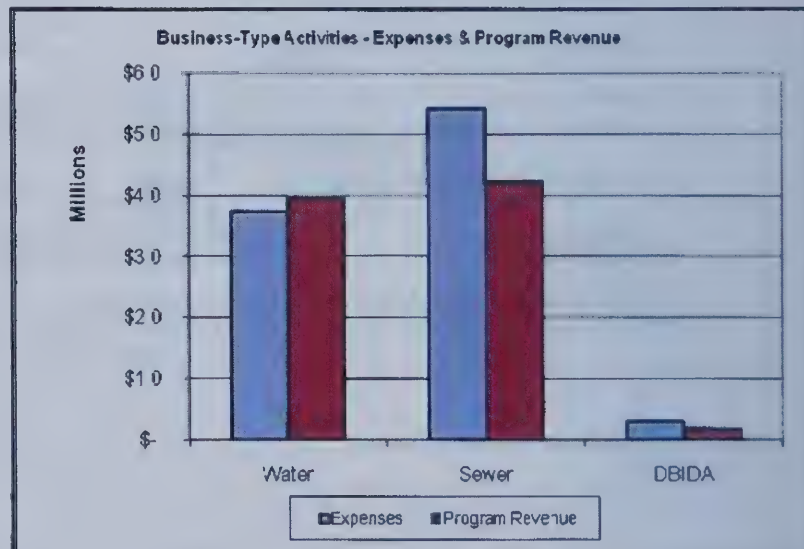
Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$4,251,893. Governmental activities realized the following significant transactions:

- General Fund excess of revenues over expenditures of \$1,364,486.
- Special Revenue Funds excess of revenues over expenditures of \$483,764
- Capital Project Funds excess of revenues over expenditures of \$1,073,769.



Business-Type Activities. Business-type activities for the year resulted in a decrease in net assets of \$958,726 or 1.6%. Key elements of this change are as follows:

- The Water Fund increased net assets by \$223,443 or 1.2%. This consists mainly of an operating profit of \$659,778 less interest expense net of interest income of \$436,335.
- The Sewer Fund had a decrease in net assets of \$1,189,088 or 3.1%. This consists mainly of an operating loss of \$838,481 less interest expense net of interest income of \$485,218 and partially offset by a capital contribution of \$134,611.



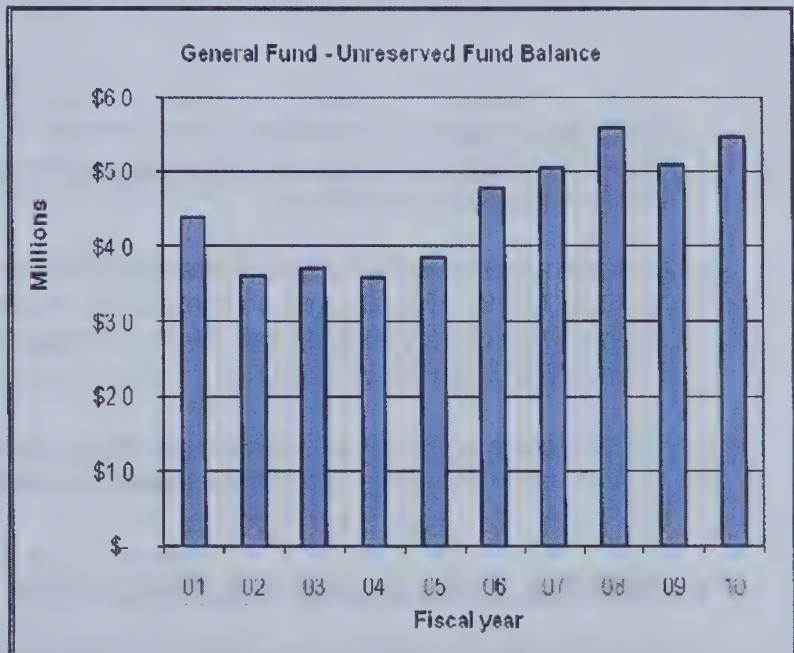
D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$26,511,720, an increase of \$2,129,079 in comparison with the prior year. The General Fund change consists of an increase in the unreserved fund balance of \$362,958 and an increase in reserved balances of \$208,603.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,477,269, while total fund balance was \$7,994,885. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.69 percent of total general fund expenditures, while total fund balance represents 9.77 percent of that same amount.



The unreserved fund balance of the general fund increased by \$362,958, or 7.1%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of \$688,804 from excess of revenues and other sources over expenditures and other uses, consisting of \$1,062,944 of revenues under budget estimates and \$1,751,748 of expenditures under budget estimates. Due to current economic conditions and lower interest rates, revenue shortfalls consist mainly of \$252,414 in motor vehicle registration fees, \$196,670 in sales and service charges, \$182,104 in

recreation charges and \$256,073 in investment income revenue. Unencumbered appropriations consisted mainly of \$108,487 for General Government, \$579,767 for Public Works, \$259,921 for Culture and Recreation, and \$387,824 for Debt Service Interest. The School Department unencumbered appropriations of \$334,912 offset a shortfall of \$160,862 in education revenue, due mainly to a loss in Tuition revenue.

- A decrease to fund balance of \$391,868 for an increase in deferred property tax revenue.
- A decrease to fund balance of \$92,137 for the increase in the reserve for advances to the McConnell Center Fund.
- A decrease to fund balance of \$309,395 for an increase of carryover appropriations reserved for future years capital outlay. In accordance with City Charter, capital outlay appropriations shall continue in force for three years or until the purpose for which the appropriation was made has been completed, whichever time period is shorter.

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$2,367,829. This amount consists of the Water Fund of \$1,070,952, the Sewer Fund of \$2,060,818, and the Dover Business and Industrial Development Fund (DBIDA) deficit of \$763,941.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget resulted in an overall decrease in appropriations of \$180,619. This consists of City Council imposed reductions in appropriations of \$41,183 in debt service interest, \$160,000 in capital outlay for general street improvements, \$30,000 in purchased supplies and services, offset by an increase of \$28,220 for intergovernmental payment to the county.

The reductions in appropriations were made to reduce an increase property tax impact as a result of a loss of \$600,243 in state revenue sharing that was enacted by the state legislature subsequent to the adoption of the original City budget.

Unspent General Fund appropriations were due to several factors including a self-imposed reduction in expenditures mentioned in the transmittal letter and a year-end level of under-expenditures (including transfers) of approximately 2.1%.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Capital assets for governmental and business-type activities at year-end amounted to \$213,708,530 (net of accumulated depreciation), an increase of approximately \$8,187,000 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment. The following yearly comparison shows net fixed assets by category:

	Capital Assets (000s) (net of depreciation)					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	2009	2010	2009	2010	2009	2010
Land	\$ 13,919	\$ 14,169	\$ 1,786	\$ 2,153	\$ 15,705	\$ 16,322
Buildings and improvements	61,917	70,905	21,264	21,546	83,181	92,451
Machinery and equipment	10,018	9,812	4,198	3,738	14,216	13,550
Infrastructure	25,756	25,148	35,942	37,824	61,698	62,972
Construction in Progress	28,503	25,909	2,218	2,504	30,721	28,413
Total Assets	\$ 140,113	\$ 145,943	\$ 65,408	\$ 67,765	\$ 205,521	\$ 213,708

Major capital asset events during the current fiscal year included the following:

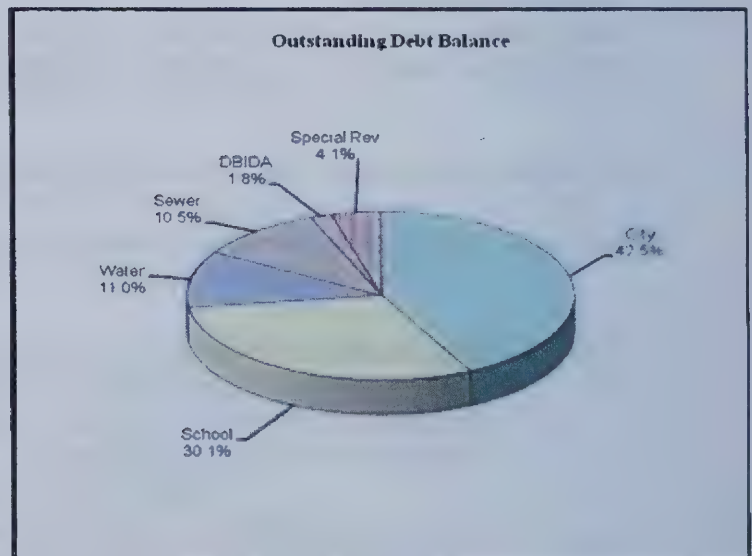
- The increase to Land of the governmental activities relates to \$250,000 for acquisition of conservation land.
- The increase to Building and improvements of the governmental activities relates mainly to School improvements of \$8,310,610 for the completion of Woodman Park School. These additions were offset by depreciation on older buildings and improvements.
- There were additions to Machinery and Equipment of the governmental activities of \$222,432 for the acquisition of Public Works Heavy vehicles. These additions were offset by depreciation on older equipment.
- The governmental activities infrastructure change includes an addition of \$1,283,958 in general street improvement projects, \$850,915 for construction of the Community Rail Trail. These additions were offset by depreciation on older infrastructure.
- The governmental activities construction in progress relates mainly to \$11,019,873 for the Tolend Road Landfill hazardous landfill mitigation project, \$3,670,413 for the Cochecho River Dredge Cell project,

\$1,801,030 for Horne Street School improvements, \$3,676,060 Washington Street – Cochecho River Bridge, \$1,509,850 for Energy Conservation Improvements.

- There were additions to Building and Improvements of the business-type activities for \$2.0 million for the change in accounting for the lease of a building by Dover Business Industrial Development Authority in Enterprise Park.
- There were additions to business-type activities infrastructure improvements of \$2.4 million for \$1.8 for Water Main Replacements.
- There was \$2.5 million of business-type activities construction in progress at the end of the year mainly related to the Sewer Fund of \$1.0 million for River Street Pump Station and \$1.0 million for other Sewer infrastructure improvements.

Additional information on capital assets can be found in Note 9 of the Financial Statements.

Long-term debt. At the end of the current fiscal year, total long-term debt outstanding was \$103,473,260, a net increase of \$3,460,905 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City except for the balance of an FY06 Dover Business and Industrial Development Authority flow through loan to a private firm from the New Hampshire Business Finance Authority of \$1,761,189.



Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2009	2010	2009	2009	2009	2009
General Obligation Bonds	\$ 75,714	\$ 79,134	\$ 23,874	\$ 24,000	\$ 99,588	\$ 103,134
Other Long Term Debt	424	339	-	-	424	339
Total Long-term Debt	\$ 76,138	\$ 79,473	\$ 23,874	\$ 24,000	\$ 100,012	\$ 103,473

During fiscal year 2010, the City issued \$12,799,000 in general obligation serial bonds; \$9,739,000 related to governmental activities and \$3,060,000 related to business-type activities. The City bonds were insured by Assured Guaranty Corporation and were rated Aa3 (negative outlook) by Moody's Investors Service and AAA (negative outlook) by Standard and Poor's Rating Group. The underlying credit rating of the City was an A1 by Moody's Investors Service and AA by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 9 bids on April 20, 2010. Morgan Keegan & Co. was awarded the bid at a true interest cost of 3.442 percent. The bonds were dated April 15, 2010 and mature April 1, 2030. Bonds maturing on or prior to April 1, 2020 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after April 1, 2021 shall be subject to redemption prior to maturity at the option of the City.

On June 1, 2010 the City issued \$8,790,000 in general obligation bonds to advance refund a portion of the City's \$22,991,400 capital improvement general obligation bonds issued March 15, 2001 and maturing June 15, 2021, with a true interest cost of 4.451 percent, in the aggregate principal amount of \$8,600,000 maturing in the years 2012 through 2021. The March 15, 2001 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2011 through June 15, 2021. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The bonds were rated Aa2 by Moody's Investors Service and AA by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 7 bids on May 27, 2010. Hutchinson, Shockey, Erley and Company were awarded the bid at a true interest cost of 2.143 percent. The refunding bonds were dated June 15, 2011 and mature June 15, 2021. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The net proceeds of \$8,661,108, after payment of \$128,892 in underwriting fees and other issuance costs, plus \$588,074 of reoffering premium, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the March 15, 2001 general obligation bonds in the aggregate principal amount of \$8,600,000. As a result, the March 15, 2001 general obligation bonds maturing on or after June 15, 2011 are considered to be defeased and the \$6,550,000 liability for those bonds has been removed from the general long-term debt account and the \$2,050,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the March 15, 2001 general obligation bonds to reduce its total debt service payments over the next 10 years by almost \$548,726 and to obtain an economic gain of \$529,603 representing the difference between the present values of the debt service payments on the old and new debt.

Additional information on long term debt can be found in Note 13 of the Financial Statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

General Fund Budget	FY10	FY11	Increase (Decrease)	% Change
City	31,927,541	32,834,893	907,352	2.8%
School	44,633,221	44,714,121	80,900	0.2%
County	7,030,640	7,161,525	130,885	1.9%
Total Budget	83,591,402	84,710,539	1,119,137	1.3%

The following table reflects the property tax levy amounts for each year.

Property Tax Levies	FY10	FY11	Increase (Decrease)	% Change
City	21,429,921	21,468,086	38,165	0.2%
School - Local	24,640,583	24,694,661	54,078	0.2%
School - State	6,431,633	6,558,455	126,822	2.0%
Total School	31,072,216	31,253,116	180,900	0.6%
County	7,030,640	7,161,525	130,885	1.9%
Total Tax Levy	59,532,777	59,882,727	349,950	0.6%

The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.

Property Tax Rates	FY10	FY11	Increase (Decrease)	% Change
City	8.55	8.93	0.38	4.4%
School - Local	9.54	9.57	0.03	0.3%
School - State	2.52	2.55	0.03	1.2%
Total School	12.06	12.12	0.06	0.5%
County	2.72	2.70	(0.02)	-0.7%
Total Tax Rate	23.33	23.75	0.42	1.8%

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

Utility Funds	FY10	FY11	Increase (Decrease)	% Change
Water Fund	4,162,633	4,241,115	78,482	1.9%
Sewer Fund	5,750,387	5,959,529	209,142	3.6%
Total Utility Funds	9,913,020	10,200,644	287,624	2.9%

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

Utility Rates	FY10	FY11	Increase (Decrease)	% Change
Water Fund	3.78	3.93	0.15	4.0%
Sewer Fund	4.74	5.04	0.30	6.3%
Combined Rates	8.52	8.97	0.45	5.3%

Discussions of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.dover.nh.gov

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Statement of Net Assets

June 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 32,902,235	\$ 5,574,540	\$ 38,476,775
Investments	2,420,665		2,420,665
Receivables, net of allowance for uncollectibles:			
Property taxes	3,782,869		3,782,869
User fees		2,359,318	2,359,318
Departmental and other	971,680		971,680
Intergovernmental	2,001,501	897,243	2,898,744
Internal balances	(4,325,576)	4,325,576	
Inventory	83,815	285,073	368,888
Other assets	17,005		17,005
Total current assets	<u>37,854,194</u>	<u>13,441,750</u>	<u>51,295,944</u>
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental		1,008,271	1,008,271
Loans	455,875		455,875
Investment in land		1,256,731	1,256,731
Capital assets:			
Land and construction in progress	40,078,428	4,657,021	44,735,449
Other capital assets, net of accumulated depreciation	<u>105,864,869</u>	<u>63,108,212</u>	<u>168,973,081</u>
Total non-current assets	<u>146,399,172</u>	<u>70,030,235</u>	<u>216,429,407</u>
Total Assets	\$ <u>184,253,366</u>	\$ <u>83,471,985</u>	\$ <u>267,725,351</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Current:			
Accounts payable	\$ 945,292	\$ 351,133	\$ 1,296,425
Accrued liabilities	3,742,623	198,943	3,941,566
Retainage payable	549,384	180,657	730,041
Due to fiduciary funds	1,532,104		1,532,104
Unearned revenue		9,540	9,540
Other current liabilities	880,075		880,075
Current portion of long-term liabilities:			
Claims liability	208,971		208,971
Bonds and loans payable	6,980,746	3,013,916	9,994,662
Compensated absences	73,627	17,000	90,627
Total current liabilities	<u>14,912,822</u>	<u>3,771,189</u>	<u>18,684,011</u>
Noncurrent:			
Claims liability, net of current portion	117,353		117,353
Bonds and loans payable, net of current portion	72,492,325	20,986,273	93,478,598
Compensated absences, net of current portion	2,956,842	142,265	3,099,107
Other post-employment benefits liability	12,419,302	878,764	13,298,066
Liability for hazardous waste-site cleanup	5,268,834		5,268,834
Total non-current liabilities	<u>93,254,656</u>	<u>22,007,302</u>	<u>115,261,958</u>
Total Liabilities	<u>108,167,478</u>	<u>25,778,491</u>	<u>133,945,969</u>
Net Assets			
Invested in capital assets, net of related debt	80,024,915	48,633,637	128,658,552
Restricted for:			
Debt service		1,823,435	1,823,435
Capital projects	357,330	4,868,593	5,225,923
Unrestricted (Deficit)	<u>(4,296,357)</u>	<u>2,367,829</u>	<u>(1,928,528)</u>
Total Net Assets	<u>76,085,888</u>	<u>57,693,494</u>	<u>133,779,382</u>
Total Liabilities and Net Assets	\$ <u>184,253,366</u>	\$ <u>83,471,985</u>	\$ <u>267,725,351</u>

Statement of Activities

For the Year Ended June 30, 2010

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 10,514,029	\$ 2,085,157	\$ 1,033,758	
Public safety	17,405,207	1,872,986	1,586,990	
Public works	11,922,320	1,231,521	1,948,496	\$ 902,525
Culture and recreation	3,498,166	1,463,061	36,029	
Education	45,268,003	7,167,991	13,467,498	
Human services	861,608	81,955	19,059	2,362
Interest	3,287,626			
Total Governmental Activities	92,756,959	13,902,671	18,091,830	904,887
Business-Type Activities:				
Water services	3,745,551	3,961,121		
Sewer services	5,426,802	4,095,345		134,611
DBIDA services	298,878	175,787		
Total Business-Type Activities	9,471,231	8,232,253		134,611
Total	\$ 102,228,190	\$ 22,134,924	\$ 18,091,830	\$ 1,039,498

General Revenues:

Property tax

Motor vehicle registration tax

Penalties and interest

Unrestricted investment earnings (loss)

Other revenue

Transfers in (out)

Total general revenues

Change in Net Assets

Net Assets:

Beginning of year

End of year

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business- Type Activities	Total
\$ (7,395,114)		\$ (7,395,114)
(13,945,231)		(13,945,231)
(7,839,778)		(7,839,778)
(1,999,076)		(1,999,076)
(24,632,514)		(24,632,514)
(758,232)		(758,232)
<u>(3,287,626)</u>		<u>(3,287,626)</u>
<u>(59,857,571)</u>		<u>(59,857,571)</u>
	\$ 215,570	215,570
	(1,196,846)	(1,196,846)
	<u>(123,091)</u>	<u>(123,091)</u>
	(1,104,367)	(1,104,367)
<u>(59,857,571)</u>	<u>(1,104,367)</u>	<u>(60,961,938)</u>
60,266,022		60,266,022
3,567,586		3,567,586
307,005		307,005
(108,998)	15,643	(93,355)
207,849		207,849
<u>(130,000)</u>	<u>130,000</u>	
<u>64,109,464</u>	<u>145,643</u>	<u>64,255,107</u>
4,251,893	(958,724)	3,293,169
<u>71,833,995</u>	<u>58,652,218</u>	<u>130,486,213</u>
\$ <u>76,085,888</u>	\$ <u>57,693,494</u>	\$ <u>133,779,382</u>

Governmental Funds**Balance Sheet**

June 30, 2010

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and short-term investments	\$ 30,263,611	\$ 2,638,624	\$ 32,902,235
Investments		2,420,665	2,420,665
Receivables, net of allowance for uncollectibles:			
Taxes	3,782,869		3,782,869
Departmental and other	491,392	808,757	1,300,149
Intergovernmental	558,508	1,062,293	1,620,801
Loans		455,875	455,875
Due from other funds		18,609,326	18,609,326
Advances to other funds	732,278		732,278
Inventory	3,273	33,745	37,018
Other assets	15,095		15,095
Total Assets	\$ 35,847,026	\$ 26,029,285	\$ 61,876,311
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 102,840	\$ 805,842	\$ 908,682
Accrued liabilities	3,175,428	215,880	3,391,308
Retainage payable		549,384	549,384
Deferred revenues	2,343,143	903,555	3,246,698
Due to other funds	21,716,601	4,305,511	26,022,112
Advances from other fund		732,278	732,278
Compensated absences	37,118		37,118
Other liabilities	477,011		477,011
Total Liabilities	27,852,141	7,512,450	35,364,591
Fund Balances:			
Reserved for:			
Encumbrances	684,702	5,639,405	6,324,107
Inventory		33,745	33,745
Expenditures		20,000	20,000
Advances	732,278		732,278
Other specific purposes	1,100,636		1,100,636
Unreserved:			
Undesignated, reported in:			
General fund	5,477,269		5,477,269
Special revenue funds		6,042,323	6,042,323
Capital project funds		6,781,362	6,781,362
Total Fund Balances	7,994,885	18,516,835	26,511,720
Total Liabilities and Fund Balances	\$ 35,847,026	\$ 26,029,285	\$ 61,876,311

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities in the Statement of Net Assets

June 30, 2010

Total governmental fund balances	\$ 26,511,720
<ul style="list-style-type: none"> Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 	145,943,297
<ul style="list-style-type: none"> Revenues are reported on the accrual basis of accounting and are not deferred until collection. 	2,843,634
<ul style="list-style-type: none"> Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. 	1,240,706
<ul style="list-style-type: none"> In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 	(335,424)
<ul style="list-style-type: none"> Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds: 	
Bonds payable	(79,473,071)
Compensated absences	(2,956,838)
Liability for hazardous waste-site cleanup	(5,268,834)
OPEB liability	<u>(12,419,302)</u>
Net assets of governmental activities	\$ <u>76,085,888</u>

Governmental Funds**Statement of Revenues, Expenditures and Changes
in Fund Balances**

For the Year Ended June 30, 2010

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 59,716,911	\$ 459,550	\$ 60,176,461
Licenses and permits	4,033,837	196,434	4,230,271
Intergovernmental	2,959,288	8,745,684	11,704,972
Current services	2,811,409	4,069,023	6,880,432
Education	13,637,769		13,637,769
Miscellaneous	351,686	299,590	651,276
Total Revenues	<u>83,510,900</u>	<u>13,770,281</u>	<u>97,281,181</u>
Expenditures:			
Current:			
General government	3,935,300	548,137	4,483,437
Public safety	12,548,669	2,109,935	14,658,604
Public works	4,897,654	7,883,399	12,781,053
Culture and recreation	3,131,978	852,900	3,984,878
Education	40,382,145	10,403,525	50,785,670
Human services	693,536	511,598	1,205,134
Intergovernmental	7,030,640		7,030,640
Debt service	9,526,492	405,194	9,931,686
Total Expenditures	<u>82,146,414</u>	<u>22,714,688</u>	<u>104,861,102</u>
Revenues over (under) expenditures	<u>1,364,486</u>	<u>(8,944,407)</u>	<u>(7,579,921)</u>
Other Financing Sources (Uses):			
Bond proceeds		9,839,000	9,839,000
Refunding bond issued	9,050,390		9,050,390
Payment to refunded bond escrow agent	(9,050,390)		(9,050,390)
Transfers in	515,856	662,940	1,178,796
Transfers out	(1,308,796)		(1,308,796)
Total Other Financing Sources (Uses)	<u>(792,940)</u>	<u>10,501,940</u>	<u>9,709,000</u>
Net change in fund balances	571,546	1,557,533	2,129,079
Fund Balances, at Beginning of Year	<u>7,423,339</u>	<u>16,959,302</u>	<u>24,382,641</u>
Fund Balances, at End of Year	<u>\$ 7,994,885</u>	<u>\$ 18,516,835</u>	<u>\$ 26,511,720</u>

The accompanying notes are an integral part of these financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2010

Net Changes in Fund Balances - Total Governmental Funds	\$ 2,129,079
<ul style="list-style-type: none"> Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: <ul style="list-style-type: none"> Capital outlay purchases 11,501,504 Depreciation (5,671,159) Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue. 496,169 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: <ul style="list-style-type: none"> Proceeds from debt issued (9,839,000) Repayments of debt 6,503,849 In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. (45,002) Some expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds: <ul style="list-style-type: none"> Increase in liability for compensated absences (105,407) Decrease in liability for hazardous waste-site cleanup 1,333,773 Increase in OPEB liability (2,393,627) Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities. 341,714 	
Changes in Net Assets of Governmental Activities	\$ <u>4,251,893</u>

Statement of Revenues and Other Financing Sources, and Expenditures and Other Financing Uses - Budget and Actual - General Fund

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Sources:				
Taxes	\$ 60,037,843	\$ 59,831,697	\$ 59,721,549	\$ (110,148)
Licenses and permits	4,315,000	4,315,000	4,033,837	(281,163)
Intergovernmental	2,588,818	2,014,345	2,045,324	30,979
Current services	3,131,457	3,131,457	2,756,678	(374,779)
Education	13,011,005	13,211,005	13,050,143	(160,862)
Miscellaneous	575,163	575,163	410,260	(164,903)
Transfers	117,924	517,924	515,856	(2,068)
Total Revenues	<u>83,777,210</u>	<u>83,596,591</u>	<u>82,533,647</u>	<u>(1,062,944)</u>
Expenditures and Other Uses:				
General Government				
City Council	301,884	301,884	298,714	3,170
Executive	780,347	780,887	727,163	53,724
Finance	1,411,996	1,411,456	1,403,513	7,943
Planning	381,875	404,875	400,873	4,002
Miscellaneous general government	786,757	890,594	850,946	39,648
Total General Government	<u>3,662,859</u>	<u>3,789,696</u>	<u>3,681,209</u>	<u>108,487</u>
Public Safety				
Police	6,341,897	6,141,898	6,132,694	9,204
Fire	6,247,029	6,444,629	6,390,304	54,325
Total Public Safety	<u>12,588,926</u>	<u>12,586,527</u>	<u>12,522,998</u>	<u>63,529</u>
Community Services - Public Works	<u>5,548,705</u>	<u>5,354,105</u>	<u>4,774,338</u>	<u>579,767</u>
Culture and Recreation				
Recreation	2,353,275	2,337,275	2,096,526	240,749
Public Library	1,063,736	1,068,925	1,049,753	19,172
Total Culture and Recreation	<u>3,417,011</u>	<u>3,406,200</u>	<u>3,146,279</u>	<u>259,921</u>
Human Services	<u>712,277</u>	<u>712,276</u>	<u>694,968</u>	<u>17,308</u>
Education	<u>44,633,221</u>	<u>40,699,081</u>	<u>40,364,169</u>	<u>334,912</u>
Debt Service				
Principal	4,076,998	6,394,600	6,404,599	(9,999)
Interest	2,009,793	3,498,466	3,100,643	397,823
Total Debt Service	<u>6,086,791</u>	<u>9,893,066</u>	<u>9,505,242</u>	<u>387,824</u>
Intergovernmental	<u>7,002,420</u>	<u>7,030,640</u>	<u>7,030,640</u>	
Transfers	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	
Total Expenditures	<u>83,777,210</u>	<u>83,596,591</u>	<u>81,844,843</u>	<u>1,751,748</u>
Other Sources (Uses)				
Payment to refunded bond escrow agent			(9,050,390)	9,050,390
Proceeds from refunding			8,790,000	(8,790,000)
Premium on bonds sold			260,390	(260,390)
Total Other Sources (Uses)				
Total Expenditures and Other Sources (Uses)	<u>83,777,210</u>	<u>83,596,591</u>	<u>81,844,843</u>	<u>1,751,748</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688,804</u>	<u>\$ 688,804</u>

Proprietary Funds**Statement of Net Assets**

June 30, 2010

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	DBIDA Fund	Total	Internal Service Funds
ASSETS					
Current:					
Cash and short-term investments	\$ 2,826,429	\$ 2,741,674	\$ 6,437	\$ 5,574,540	
User fees, net of allowance for uncollectibles					
Billed	591,094	636,811		1,227,905	
Unbilled	569,829	561,584		1,131,413	
Departmental and other receivables					\$ 52,231
Intergovernmental receivables		897,243		897,243	
Due from other funds	1,659,292	2,845,959		4,505,251	1,555,106
Prepaid expenses					1,910
Inventory	223,295	61,778		285,073	46,797
Total current assets	<u>5,869,939</u>	<u>7,745,049</u>	<u>6,437</u>	<u>13,621,425</u>	<u>1,656,044</u>
Noncurrent:					
Investment in land			1,256,731	1,256,731	
Intergovernmental receivable		1,008,271		1,008,271	
Capital assets:					
Land and construction in progress	1,190,162	3,241,280	225,579	4,657,021	
Other capital assets, net of accumulated depreciation	<u>23,865,920</u>	<u>37,486,475</u>	<u>1,755,817</u>	<u>63,108,212</u>	
Total noncurrent assets	<u>25,056,082</u>	<u>41,736,026</u>	<u>3,238,127</u>	<u>70,030,235</u>	
Total Assets	<u>30,926,021</u>	<u>49,481,075</u>	<u>3,244,564</u>	<u>83,651,660</u>	<u>1,656,044</u>
LIABILITIES					
Current:					
Accounts payable	45,372	305,357	404	351,133	35,546
Accrued liabilities	48,975	142,282	7,686	198,943	16,959
Retainage payable	19,738	160,919		180,657	
Unearned revenue			9,540	9,540	
Due to other funds			179,675	179,675	
Current portion of long-term liabilities:					
Claims liability					208,971
Bonds payable	1,010,000	1,857,500	146,416	3,013,916	
Compensated absences	5,000	12,000		17,000	36,509
Total current liabilities	<u>1,129,085</u>	<u>2,478,058</u>	<u>343,721</u>	<u>3,950,864</u>	<u>297,985</u>
Noncurrent:					
Claims liability, net of current portion					117,353
Bonds payable, net of current portion	10,334,000	8,957,500	1,694,773	20,986,273	
Compensated absences	51,420	84,476	6,369	142,265	
OPEB liability	529,172	349,592		878,764	
Total noncurrent liabilities	<u>10,914,592</u>	<u>9,391,568</u>	<u>1,701,142</u>	<u>22,007,302</u>	<u>117,353</u>
Total Liabilities	<u>12,043,677</u>	<u>11,869,626</u>	<u>2,044,863</u>	<u>25,958,166</u>	<u>415,338</u>
NET ASSETS					
Invested in capital assets, net of related debt	15,761,737	32,731,693	140,207	48,633,637	
Restricted for debt service			1,823,435	1,823,435	
Restricted for capital outlay	2,049,655	2,818,938		4,868,593	357,330
Unrestricted (deficit)	<u>1,070,952</u>	<u>2,060,818</u>	<u>(763,941)</u>	<u>2,367,829</u>	<u>883,376</u>
Total Net Assets	<u>\$ 18,882,344</u>	<u>\$ 37,611,449</u>	<u>\$ 1,199,701</u>	<u>\$ 57,693,494</u>	<u>\$ 1,240,706</u>

Proprietary Funds**Statement of Revenues, Expenses and Changes in Fund Net Assets**

For the Year Ended June 30, 2010

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
Operating Revenues:					
Charges for services	\$ 3,820,888	\$ 3,870,751		\$ 7,691,639	\$ 1,253,070
Investment fees	98,492	181,352		279,844	
Other revenue	41,741	43,242	\$ 175,787	260,770	300,452
Total Operating Revenues	<u>3,961,121</u>	<u>4,095,345</u>	<u>175,787</u>	<u>8,232,253</u>	<u>1,553,522</u>
Operating Expenses:					
Personal services	1,160,540	1,563,403	90,289	2,814,232	500,756
Purchased services	215,060	201,107	25,748	441,915	357,870
Supplies	762,727	879,913	4,223	1,646,863	55,561
Minor equipment	104,330	114,802		219,132	58,017
Depreciation	903,461	1,965,650	55,496	2,924,607	
Other expenses	155,225	208,951	31	364,207	239,604
Total Operating Expenses	<u>3,301,343</u>	<u>4,933,826</u>	<u>175,787</u>	<u>8,410,956</u>	<u>1,211,808</u>
Operating Income (Loss)	<u>659,778</u>	<u>(838,481)</u>		<u>(178,703)</u>	<u>341,714</u>
Nonoperating Revenues (Expenses):					
Investment income	7,873	7,758	12	15,643	
Interest expense	(444,208)	(492,976)	(123,091)	(1,060,275)	
Total Nonoperating Revenues (Expenses), Net	<u>(436,335)</u>	<u>(485,218)</u>	<u>(123,079)</u>	<u>(1,044,632)</u>	
Transfers in			130,000	130,000	
Capital Contributions		134,611		134,611	
Change in Net Assets	<u>223,443</u>	<u>(1,189,088)</u>	<u>6,921</u>	<u>(958,724)</u>	<u>341,714</u>
Net Assets at Beginning of Year, as Restated	<u>18,658,901</u>	<u>38,800,537</u>	<u>1,192,780</u>	<u>58,652,218</u>	<u>898,992</u>
Net Assets at End of Year	<u>\$ 18,882,344</u>	<u>\$ 37,611,449</u>	<u>\$ 1,199,701</u>	<u>\$ 57,693,494</u>	<u>\$ 1,240,706</u>

Proprietary Funds**Statements of Cash Flows**

For the Year Ended June 30, 2010

	Business-Type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	DBIDA Fund	Total	
Cash Flows From Operating Activities:					
Receipts from customers and users for services	\$ 3,706,217	\$ 2,656,351		\$ 6,362,568	\$ 1,556,805
Receipts from customers and users for investment fees	140,233	224,594	\$ 175,450	540,277	
Payments to vendors and contractors	(1,152,132)	(1,100,591)	(24,129)	(2,276,852)	(723,706)
Payments of employee salaries and benefits	(1,152,759)	(1,538,070)	(89,130)	(2,779,959)	(680,148)
Receipts for interfund service provided		1,558,550	73,144	1,631,694	71,333
Payments for interfund service provided	(61,258)			(61,258)	(224,284)
Net Change in Operating Activities	<u>1,480,301</u>	<u>1,800,834</u>	<u>135,335</u>	<u>3,416,470</u>	
Cash Flows From Noncapital Financing Activities:					
Transfers in			130,000	130,000	
Capital contributions - State aid towards long-term debt repayment		134,611		134,611	
Net Change in Noncapital Financing Activities		<u>134,611</u>	<u>130,000</u>	<u>264,611</u>	
Cash Flows From Capital and Related Financing Activities:					
Purchases of capital assets and land for investment	(1,167,092)	(729,469)		(1,896,561)	
Proceeds from bonds issued	1,550,000	1,410,000		2,960,000	
Principal payments on bonds and notes	(969,000)	(1,723,000)	(142,247)	(2,834,247)	
Interest expense	(444,208)	(492,976)	(123,091)	(1,060,275)	
Net Change in Capital and Related Financing Activities	<u>(1,030,300)</u>	<u>(1,535,445)</u>	<u>(265,338)</u>	<u>(2,831,083)</u>	
Cash Flows From Investing Activities:					
Investment income	7,873	7,758	12	15,643	
Net Change in Investing Activities	<u>7,873</u>	<u>7,758</u>	<u>12</u>	<u>15,643</u>	
Net Change in Cash and Short-Term Investments	457,874	407,758	9	865,641	
Cash and Short-Term Investments, Beginning of Year	<u>2,368,555</u>	<u>2,333,916</u>	<u>6,428</u>	<u>4,708,899</u>	
Cash and Short-Term Investments, End of Year	<u>\$ 2,826,429</u>	<u>\$ 2,741,674</u>	<u>\$ 6,437</u>	<u>\$ 5,574,540</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Change In Operating Activities:					
Operating income (loss)	\$ 659,778	\$ (838,481)	\$ -	\$ (178,703)	\$ 341,714
Adjustments to reconcile operating income (loss) to net change in operating activities:					
Depreciation	903,461	1,965,650	55,496	2,924,607	
Changes in assets and liabilities:					
User fees	(114,671)	(148,125)		(262,796)	
Inventory	77,368	2,931		80,299	(5,334)
Departmental and other receivables		(982,265)		(982,265)	3,283
Interfund receivables and payables	(61,258)	1,558,550	73,144	1,570,436	(152,951)
Other assets					
Accounts payable	(8,759)	90,159	5,873	87,273	(7,320)
Accrued liabilities	4,505	9,086	328	13,919	(184,163)
Unearned revenue		(84,010)	(337)	(84,347)	
Retainage payable	(32,043)	139,210		107,167	
Compensated absences	3,276	16,247	831	20,354	4,771
OPEB liability	48,644	71,882		120,526	
Net Change in Operating Activities	<u>\$ 1,480,301</u>	<u>\$ 1,800,834</u>	<u>\$ 135,335</u>	<u>\$ 3,416,470</u>	<u>\$ -</u>

Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2010

	Agency Funds	Private Purpose Trust Funds
ASSETS		
Cash and short term investments	\$ 254,042	
Due from other funds	819,269	\$ 712,835
Total Assets	<u>1,073,311</u>	<u>712,835</u>
LIABILITIES AND NET ASSETS		
Other liabilities	1,073,311	
Total Liabilities	<u>1,073,311</u>	
NET ASSETS		
Total Net Assets Held in Trust	\$ <u>-</u>	\$ <u>712,835</u>

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2010

	Private Purpose Trust Funds
Additions:	
Contributions	\$ 23,840
Investment loss	(52,502)
Total reductions	<u>(28,662)</u>
Deductions:	
Disbursements by agent	<u>11,724</u>
Total deductions	<u>11,724</u>
Net decrease	(40,386)
Net Assets:	
Beginning of year	<u>753,221</u>
End of year	<u>\$ 712,835</u>

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Dover, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

Reporting Entity

The government is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and any applicable component units for which the government is considered to be financially accountable. In fiscal year 2010, it was determined that no entities met the required GASB-39 criteria of component units.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the following major proprietary funds:

- The Water Fund accounts for the operation of a water treatment plant, city wells and water system
- The Sewer Fund accounts for the operation of a sewer treatment plant, pumping station and sewer lines.
- The Arena Fund accounts for the operations of the Dover Ice Arena. During the year ended June 30, 2009, the Arena fund was transferred to the General Fund.
- The Dover Business and Industrial Development Authority Fund (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Financial Statements – Continued

Additionally, the government reports the following fund type:

- Internal service funds account for data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis.

Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and thus have no measurement focus. The government also reports the following fiduciary funds:

- The Private-Purpose Trust Funds are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. Private Purpose Trust Funds held by the City include trust arrangements for Cemetery general care, Parks & Recreation program scholarships, Welfare benefits, and School scholarships.

Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. Agency funds held by the City include the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the "doubling up" effect of internal service activity.

Cash and Investments

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings banks or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided, however, that said common trust funds shall be limited to the investments authorized inroad 31:25; provided further, that not more than \$10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve accounting applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories

Inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. The costs of inventories is recorded as an expense when consumed rather than when purchased.

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during 2010.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 40 years
Building improvements	40 years
Building systems	15 - 24 years
Infrastructure	20 – 60 years
Water/sewer infrastructure	24 – 50 years
Vehicles	8-15 years
Office equipment	7-20 years
Computer equipment	5-10 years
Land improvements	15-20 years
Machinery and equipment	5-15 years
Books and collections	5 years

Compensated Absences

Depending on the union, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end. Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2010 was \$580,348. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Recent Accounting Pronouncements

Hierarchy of Generally Accepted Accounting Principles

In April 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles (GAAP) for State and Local Governments*. This statement incorporates the hierarchy of GAAP for state and local governments into the GASB's authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The GASB is responsible for establishing GAAP for state and local governments, however, prior to GASB No. 55 the GAAP hierarchy was set forth in the American Institute of Certified Public Accountants' (AICPA) Statement on Auditing Standards (SAS) No. 69, *The Meaning of Present Fairly in Conformity with GAAP*, rather than in the authoritative literature of the GASB. The adoption of this statement did not have a material effect on the City's financial position or results of operations.

Codification of Accounting and Financial Reporting Guidance

In April 2009, the GASB issued GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. This statement incorporates into the GASB authoritative literature accounting and financial reporting guidance on related party transactions, going concern considerations and subsequent events previously only contained in AICPA Statements on Auditing Standards. The statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards. The adoption of this statement did not have a material effect on the City's financial position or results of operations.

Notes to Financial Statements

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recent Accounting Pronouncements – Continued

Fund Balance

In March 2009, the GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions*. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The new statement is effective for financial statement periods beginning after June 15, 2010. The City is currently assessing the impact of this statement on its financial position and changes in financial position.

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 15th. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are legally adopted for the following funds: general, parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, McConnell Center, police DHA and school cafeteria. Proprietary funds with annually adopted budgets are water, sewer, and arena funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15th, but not earlier than seven days after a public hearing. Separate public hearing is held on the portion of the budget submitted by the School Board.

The City Manager may transfer budgeted amounts within each non-school Department without City Council approval. The City Manager may transfer budgeted amounts between non-school Departments only after obtaining approval from the Council. The Superintendent of the School Department may transfer budgeted amounts within the Department as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

Budgetary Basis

The General Fund final appropriation appearing on Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

Notes to Financial Statements

June 30, 2010

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues and other financing sources	Expenditures and other financing uses	Revenues and other financing sources over (under) expenditures and other financing uses
General Fund			
Revenues/expenditures (GAAP basis)	\$ 83,510,900	\$ 82,146,414	\$ 1,364,486
Other financing sources/uses (GAAP basis)	515,856	1,308,796	(792,940)
	<u>84,026,756</u>	<u>83,455,210</u>	<u>571,546</u>
Reverse beginning of year appropriation carryforwards from expenditures		(856,381)	856,381
Reverse on-behalf payments	(1,496,954)	(1,496,954)	
Add end of year appropriation carryforwards to expenditures		672,027	(672,027)
Other differences	3,845	92,191	(88,346)
To reverse amortized debt		(21,250)	21,250
	<u>\$ 82,533,647</u>	<u>\$ 81,844,843</u>	<u>\$ 688,804</u>
Budgetary Basis			

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

Nonmajor Governmental Funds	
Special Revenue Funds	
McConnell Center	\$ (1,420)
Internal Services Funds	
Fleet maintenance	\$ (37,756)
Enterprise Funds	
Sewer fund	\$ (284,801)

Notes to Financial Statements

June 30, 2010

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY – CONTINUED

Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2010:

Nonmajor Governmental funds

Special Revenue Funds:

Community Development	\$	(137,090)	(A)
CDBG Recovery		(38,512)	(A)
DOE Energy Efficiency		(101,234)	(A)
Police DOJ		(82,430)	(A)
Homeland Security		(66,913)	(A)
Police DOT		(5,719)	(A)
DHHS Assistance Programs		(7,141)	(A)
EPA Fund		(63,113)	(A)
Special Programs Fund		(15,744)	(A)
Dover Main Street		(3,960)	(A)
McConnell Center		(691,882)	(B)
Tuition Programs		(1,776)	(A)

Capital Project Funds:

CIP FY07	\$	(826,881)	(B)
CIP FY05		(247,890)	(B)
CIP FY00		(41,948)	(B)
Cocheco River Dredge		(196,047)	(C)

(A) The deficits in these funds will be eliminated through the future grant reimbursements.

(B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.

(C) The deficit will be funded by future grant reimbursements and fees charged for placement of dredge spoils.

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City's deposits or investments were exposed to custodial credit risk.

City Funds

The City's Investment Policy requires the use of security broker/dealers be based on credit-worthiness (a minimum capital requirement of \$100,000,000 and at least five years of operation). Permitted investment per state law and the City's policy are U.S. Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria:

Notes to Financial Statements

June 30, 2010

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

City Funds – Continued

- Minimum total assets of \$100 million.
- Minimum of an average rating by a bank rating service.
- Minimum ratio of equity capital to total assets of 5%.
- Maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of U.S. Government Obligations, U.S. Government Agency Obligations or State of New Hampshire Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2010, the City's bank balance of \$40,349,396 was fully insured and collateralized.

Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the U.S. Government or the state, county, town, city, school district or water and sewer district.
- Stocks and bonds as are legal for investment by New Hampshire savings banks.
- Shares of mutual funds or money market mutual funds.
- Investment depositories must meet the following criteria:
 - Minimum total assets of \$100 million.
 - Minimum ratio of equity capital to total assets of 6%.
 - Maximum ratio of non-performing assets to equity of 35%.
 - Minimum of an average rating by a bank rating service.

Notes to Financial Statements

June 30, 2010

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling. The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. During fiscal year 2010 the trust investments were held in mutual funds. The mutual fund investment criteria are listed below:

- The fund is a no load, open-ended fund, and does not charge 12b-1 expenses.
- The fund is qualified for sale in the State of New Hampshire with the Securities Regulations Bureau of the New Hampshire Secretary of State
- The fund is registered with the SEC.
- A prospectus is available to the trustees outlining the investment philosophy of the fund and the major holdings in the fund.
- The fund has a Morningstar rating of four stars or better.
- The fund can invest in equities or bonds or both.
- Price/Earnings & Price/Book ratios should be reasonable within the given market conditions and sectors.
- If the fund invests mainly in fixed income securities or is mixed with equities, the average credit quality of the fixed income securities should be A or higher.
- No investment shall be made into high yield bond funds.

Investments as of June 30, 2010 consisted of:

	Fair Value	Investment Maturities (in Years)			
		1 - 5	6 - 10	More than 10	No Maturity
Corporate Bonds	\$ 391,161	\$ 230,193	\$ 160,968		
Bond Funds	323,557				323,557
Common Stock and Mutual Funds	1,223,773				1,223,773
Money Market, less than one year	482,174	482,174			
Total Investments	<u>\$ 2,420,665</u>	<u>\$ 712,367</u>	<u>\$ 160,968</u>	<u>\$ -</u>	<u>\$ 1,547,330</u>

The City's investment in debt securities that require disclosure of credit risk were rated by Moody's as follows: Fixed income corporate bonds \$261,375-Aaa, Fixed income corporate bonds \$129,786- A thru A3, Bond funds \$248,987 – AAA and \$74,570 between B and AAA with 68% of this fund rated A or better.

As of June 30, 2010 the City did not have investments in any one issuer that exceeded 5% of investments.

Notes to Financial Statements

June 30, 2010

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to U.S. Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (cost basis) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations thus avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities including the local government investment pool.

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Treasurer is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Treasurer shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Information about the sensitivity of the fair values of the Trust's investments to market interest rate fluctuations is not provided, since all investments are held in mutual funds.

Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at www.dover.nh.gov.

Notes to Financial Statements

June 30, 2010

NOTE 4 – TAXES RECEIVABLE

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes are due no earlier than December 1 and June 1, of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years.

Taxes receivable at June 30, 2010 are comprised of (in thousands):

Unredeemed taxes:	
Levy of fiscal year 2010	\$ 3,085
Levy of fiscal year 2009	677
Levy of fiscal year 2008	200
Levy of fiscal year 2007	29
Levy of fiscal year 2006	11
Allowance for abatements	(242)
	<u>3,760</u>
Other taxes:	
Other miscellaneous taxes	23
	<u>\$ 3,783</u>

NOTE 5 – DEPARTMENTAL AND OTHER RECEIVABLES

Departmental and other receivables, as reported in the governmental funds represent ambulance, police detail, current use receivables and other reimbursements.

	Ambulance	Conservation Fund	Residential Solid Waste	Other	Total
Gross	\$ 1,003,033	\$ 240,210	\$ 74,325	\$ 868,869	\$ 2,186,437
Less allowance for doubtful accounts	(538,451)			(27,185)	(565,636)
	<u>\$ 464,582</u>	<u>\$ 240,210</u>	<u>\$ 74,325</u>	<u>\$ 841,684</u>	<u>\$ 1,620,801</u>

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$558,508 reported in the general fund represents tuition revenue received from area school districts in July and August. The balance of \$1,062,293 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

Notes to Financial Statements

June 30, 2010

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES – CONTINUED

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Funds bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended June 30,:	Reimbursement For		
	Principal	Interest	Total
2011	\$ 897,243	\$ 75,685	\$ 972,928
2012	838,106	18,739	856,845
2013	15,443	18,200	33,643
2014	15,355	6,240	21,595
2015	15,338	5,688	21,026
Thereafter	124,029	28,345	152,374
	<u>\$ 1,905,514</u>	<u>\$ 152,897</u>	<u>\$ 2,058,411</u>

In the Sewer Enterprise fund, the City has accrued \$51,678 of interest due in fiscal year 2010, along with all principal as Intergovernmental Receivables at June 30, 2010.

NOTE 7 – LOANS RECEIVABLE

Loans receivable of \$455,875 in nonmajor governmental funds represent the uncollected balance of community development loans.

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount listed as advance to other funds which is due to the general fund is from the McConnell Center Fund relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2010 balances in interfund receivable and payable accounts:

Fund	Due From Other Funds	Due to Other Funds	Advance to Other Funds	Advance From Other Funds
General Fund	\$ -	\$ 21,716,601	\$ 732,278	
Nonmajor Governmental Funds	18,609,326	4,305,511		\$ 732,278
Major Proprietary Funds:				
Enterprise Funds:				
Water	1,659,292			
Sewer	2,845,959			
DBIDA		179,675		
Nonmajor Proprietary Funds:				
Internal Service Funds	1,555,106			
Fiduciary Funds:				
Agency Funds	819,269			
Private Purpose Funds	712,835			
	<u>\$ 26,201,787</u>	<u>\$ 26,201,787</u>	<u>\$ 732,278</u>	<u>\$ 732,278</u>

Notes to Financial Statements

June 30, 2010

NOTE 8 – INTERFUND FUND RECEIVABLES, PAYABLES, AND TRANSFERS – CONTINUED

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The following is an analysis of the June 30, 2010 interfund transfers:

Fund	Transfers In	Transfers Out
General Fund	\$ 515,856	\$ (1,308,796)
Nonmajor Governmental Funds	662,940	
Major Proprietary Funds:		
Enterprise Funds		
DBIDA	130,000	
Total Interfund Transfers	\$ 1,308,796	\$ (1,308,796)

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows (reported in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 90,665	\$ 10,983		\$ 101,648
Machinery, equipment and furnishings	26,689	1,455	\$ (538)	27,606
Infrastructure	66,064	1,455		67,519
Total capital assets, being depreciated	<u>183,418</u>	<u>13,893</u>	<u>(538)</u>	<u>196,773</u>
Less accumulated depreciation:				
Buildings and improvements	(28,749)	(1,995)		(30,744)
Machinery, equipment and furnishings	(16,668)	(1,613)	491	(17,790)
Infrastructure	(40,309)	(2,064)		(42,373)
Total accumulated depreciation	<u>(85,726)</u>	<u>(5,672)</u>	<u>491</u>	<u>(90,907)</u>
Total capital assets, being depreciated, net	<u>97,692</u>	<u>8,221</u>	<u>(47)</u>	<u>105,866</u>
Capital assets, not being depreciated:				
Land	13,919	250		14,169
Construction in progress	28,502	11,475	(14,069)	25,908
Total capital assets, not being depreciated	<u>42,421</u>	<u>11,725</u>	<u>(14,069)</u>	<u>40,077</u>
Governmental Activities Capital Assets, Net	<u>\$ 140,113</u>	<u>\$ 19,946</u>	<u>\$ (14,116)</u>	<u>\$ 145,943</u>

Notes to Financial Statements

June 30, 2010

NOTE 9 – CAPITAL ASSETS – CONTINUED

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 39,680	\$ 2,022		\$ 41,702
Machinery, equipment and furnishings	10,017	84		10,101
Infrastructure	56,121	2,401		58,522
Total capital assets, being depreciated	<u>105,818</u>	<u>4,507</u>		<u>110,325</u>
Less accumulated depreciation:				
Buildings and improvements	(18,416)	(1,131)		(19,547)
Machinery, equipment and furnishings	(5,819)	(513)		(6,332)
Infrastructure	(20,179)	(1,159)		(21,338)
Total accumulated depreciation	<u>(44,414)</u>	<u>(2,803)</u>		<u>(47,217)</u>
Total capital assets, being depreciated, net	<u>61,404</u>	<u>1,704</u>		<u>63,108</u>
Capital assets, not being depreciated:				
Land	1,786	205		1,991
Construction in progress	2,218	3,306	\$ (2,858)	2,666
Total capital assets, not being depreciated	<u>4,004</u>	<u>3,511</u>	<u>(2,858)</u>	<u>4,657</u>
Business-Type Activities Capital Assets, Net	<u>\$ 65,408</u>	<u>\$ 5,215</u>	<u>\$ (2,858)</u>	<u>\$ 67,765</u>

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:	
General government	\$ 122
Public safety	485
Public works	2,846
Education	1,707
Culture and recreation	510
Human services	2
Total Depreciation Expense - Governmental Activities	<u>\$ 5,672</u>
Business-Type Activities:	
Water	\$ 761
Sewer	2,042
	<u>\$ 2,803</u>

Notes to Financial Statements

June 30, 2010

NOTE 9 – CAPITAL ASSETS – CONTINUED

Construction Commitments:

Active construction in progress at June 30, 2010 and commitments outstanding consist of the following:

	Construction in Progress	Remaining Commitments
Government Activities:		
Tolend Road Landfill	\$ 11,019,873	\$ 87,969
Cocheco River Bridge	3,676,060	793,200
Cocheco Dredge Cell	3,670,413	700,293
Horne Street School Improvements	1,801,030	2,382,624
Glenwood Avenue Improvements	1,596,431	
Energy Conservation	1,509,850	332,578
Henry Law Avenue Reconstruction	885,318	
Street Improvements	836,205	132,846
TIP - Signalization Rte. 108	478,498	
McConnell Building Improvements	295,555	3,257
Various other construction projects	140,102	302,899
Total Governmental Activities	<u>\$ 25,909,335</u>	<u>\$ 4,735,666</u>
Business-Type Activities:		
Water main	\$ 344,449	\$ 502,173
Various other water construction projects	214,611	314,116
WWTP - River Street Pump Upgrade - ARRA	1,022,193	636,728
Sewer - Oak Hill - North End	331,203	3,500
Sewer - Inflow and Infiltration Study	204,329	48,996
WWTP - Aeration Blower - ARRA	139,578	418,736
Various other sewer construction projects	244,665	77,617
DBIDA Enterprise Park	165,578	4,060
Total Business-Type Activities	<u>\$ 2,666,606</u>	<u>\$ 2,005,926</u>

NOTE 10 – ACCOUNTS PAYABLE

Accounts payable represents fiscal year 2010 invoices paid in the subsequent fiscal year.

NOTE 11 – ACCRUED LIABILITIES

Accrued liabilities in the general fund represent salaries earned but unpaid to City and School employees at year-end.

NOTE 12 – DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the sum of all delinquent taxes at June 30, 2010 less property and unredeemed tax collections for the subsequent 60 days.

Notes to Financial Statements

June 30, 2010

NOTE 13 – LONG-TERM DEBT

Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly the general fund, and also water, sewer, internal service, and other special revenue funds.

General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net assets invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

Description	Original Issue Amount	Rate	Maturity Date	Balance
Bonds Payable:				
WWTP - State guaranteed 1991	\$ 10,500,000	6.6983%	7/15/11	\$ 1,050,000
WWTP - State guaranteed 1991	7,300,000	6.5746%	1/15/12	730,000
WWTP - State guaranteed 1992	450,000	5.5966%	1/15/12	40,000
Public improvements 1995	3,356,711	5.3259%	8/15/10	205,000
Public improvements 1996	3,885,092	5.6554%	8/15/11	390,000
Public improvements 1996	875,055	5.4059%	1/15/12	36,980
Public improvements 1997	1,002,327	4.8400%	8/15/12	120,000
Public improvements 1999	4,137,500	4.1900%	1/15/13	880,000
Public improvements 1999	2,179,901	5.5100%	1/15/15	700,000
New Middle School 1999	15,741,027	5.5800%	1/15/20	5,692,063
Public improvements 2001	22,991,400	4.4506%	6/15/21	1,380,000
Public improvements 2002	2,240,600	4.2300%	6/15/22	1,095,000
Public improvements 2003	14,280,000	3.1688%	6/15/24	7,950,000
Public improvements 2004	9,816,000	4.1148%	6/15/25	6,570,000
Public improvements 2005	10,740,000	3.8405%	6/15/26	7,940,000
Public improvements 2006	22,348,000	4.2313%	6/15/27	18,415,000
Public improvements 2007	20,646,000	4.5000%	6/15/27	17,215,000
Public improvements 2008	9,970,000	4.0935%	12/15/28	9,375,000
Public improvements 2009	12,799,000	3.4417%	4/1/30	12,799,000
Public improvements refunding 2009	8,790,000	2.1535%	6/30/21	8,790,000
Total Bonds Payable				<u>101,373,043</u>
Other Long-Term Debt:				
State revolving loan - Tolend landfill	1,271,357		6/1/13	339,029
BFA loan	2,000,000		3/2/26	1,761,188
Total Other Debt Outstanding				<u>2,100,217</u>
Total Long-Term Debt				<u>\$ 103,473,260</u>

Notes to Financial Statements

June 30, 2010

NOTE 13 – LONG-TERM DEBT – CONTINUED

Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2010 are as follows:

Governmental	Principal	Interest	Total
2011	\$ 6,980,746	\$ 3,487,627	\$ 10,468,373
2012	6,786,692	3,296,086	10,082,778
2013	6,532,502	3,117,801	9,650,303
2014	6,455,498	2,940,990	9,396,488
2015	6,144,300	2,760,309	8,904,609
2016 - 2020	25,306,334	11,310,432	36,616,766
2021 - 2025	15,179,500	3,087,902	18,267,402
2026 - 2030	6,087,499	532,265	6,619,764
	<u>79,473,071</u>	<u>30,533,412</u>	<u>110,006,483</u>
Business-Type			
2011	3,013,916	989,957	4,003,873
2012	2,806,364	849,814	3,656,178
2013	1,873,110	738,546	2,611,656
2014	1,871,173	669,735	2,540,908
2015	1,829,576	601,368	2,430,944
2016 - 2020	8,408,050	1,692,556	10,100,606
2021 - 2025	3,455,500	544,863	4,000,363
2026 - 2030	742,500	55,783	798,283
	<u>24,000,189</u>	<u>6,142,622</u>	<u>30,142,811</u>
Total future debt service	<u>\$ 103,473,260</u>	<u>\$ 36,676,034</u>	<u>\$ 140,149,294</u>

The City's proprietary fund future debt service is partially funded by the state as described in Note 6. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2010 are as follows:

Purpose	Amount
Enterprise Park Building Project	\$ 2,000,000
Tolend Road Landfill Remediation	1,600,000
Rizzo - Downtown Parking	500,000
Public Improvements - FY10	200,000
Public Improvements - FY11	3,750,056
Public Improvements - FY10 Energy	916,765
Public Improvements - FY10 Broadway	2,000,000
Public Improvements - FY10 Sewer	1,200,000
Public Improvements - FY10 - Sewer	279,157
	<u>\$ 12,445,978</u>

Notes to Financial Statements

June 30, 2010

NOTE 13 – LONG-TERM DEBT – CONTINUED

Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2010 and related limitations. These limits are based on the tax year 2009 base valuations for debt limits of \$2,768,903,096 provided by the State Department of Revenue Administration.

Purpose	Percent of State Assessed Value	Maximum Debt Limit	Applicable Bonds Outstanding at June 30, 2010
Municipal	3%	\$ 83,067,093	\$ 40,171,288
School	7%	193,823,217	31,196,754
Water	10%	276,890,310	11,344,000
DBIDA - IP	0%	4,000,000 *	345,000
DBIDA - IB	0%	1,000,000	
DBIDA - Projects	8%	210,887,056	1,761,189
Not subject to limitation	0%		18,655,029
			<u>\$ 103,473,260</u>

*Debt limit is set by special legislation.

Changes in General Long-Term Liabilities

During the year ended June 30, 2010, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/09	Additions	Reductions	Total Balance 6/30/10	Less Current Portion	Long-Term Portion 6/30/10
Governmental Activities						
Claims liability	\$ 514	\$ 7	\$ (195)	\$ 326	\$ (209)	\$ 117
Bonds and loans payable	76,138	18,581	(15,246)	79,473	(6,981)	72,492
Other:						
Compensated absences	2,999	1,134	(1,103)	3,030	(73)	2,957
OPEB liability	10,026	3,502	(1,109)	12,419		12,419
Liability for hazardous waste-site cleanup	6,603		(1,334)	5,269		5,269
	<u>\$ 96,280</u>	<u>\$ 23,224</u>	<u>\$ (18,987)</u>	<u>\$ 100,517</u>	<u>\$ (7,263)</u>	<u>\$ 93,254</u>
Business-Type Activities						
Bonds and loans payable	\$ 23,874	\$ 3,008	\$ (2,882)	\$ 24,000	\$ (3,014)	\$ 20,986
Other:						
Compensated absences	139	138	(118)	159	(17)	142
OPEB liability	758	264	(143)	879		879
	<u>\$ 24,771</u>	<u>\$ 3,410</u>	<u>\$ (3,143)</u>	<u>\$ 25,038</u>	<u>\$ (3,031)</u>	<u>\$ 22,007</u>

Notes to Financial Statements

June 30, 2010

NOTE 13 – LONG-TERM DEBT – CONTINUED

New Debt and Refunded Obligations

During fiscal year 2010, the City issued \$12,799,000 in general obligation serial bonds; \$9,739,000 related to governmental activities and \$3,060,000 related to business-type activities. The City bonds were insured by Assured Guaranty Corporation and were rated Aa3 (negative outlook) by Moody's Investors Service and AAA (negative outlook) by Standard and Poor's Rating Group. The underlying credit rating of the City was an A1 by Moody's Investors Service and AA by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 9 bids on April 20, 2010. Morgan Keegan & Co. was awarded the bid at a true interest cost of 3.442 percent. The bonds were dated April 15, 2010 and mature April 1, 2030. Bonds maturing on or prior to April 1, 2020 shall not be subject to redemption prior to their stated maturity dates. Bonds maturing on or after April 1, 2021 shall be subject to redemption prior to maturity at the option of the City.

On June 1, 2010 the City issued \$8,790,000 in general obligation bonds to advance refund a portion of the City's \$22,991,400 capital improvement general obligation bonds issued March 15, 2001 and maturing June 15, 2021, with a true interest cost of 4.451 percent, in the aggregate principal amount of \$8,600,000 maturing in the years 2012 through 2021. The March 15, 2001 general obligation bonds were subject to redemption, at the option of the City, for bonds maturing on or after June 15, 2011 through June 15, 2021. The City did not contract for the issuance of any policy of municipal bond insurance or any other credit enhancement facility. The bonds were rated Aa2 by Moody's Investors Service and AA by Standard and Poor's Rating Group. Competitive bids were solicited and the City received 7 bids on May 27, 2010. Hutchinson, Shockey, Erley and Company were awarded the bid at a true interest cost of 2.143 percent. The refunding bonds were dated June 15, 2011 and mature June 15, 2021. The refunding bonds are not subject to redemption prior to their stated maturity dates.

The net proceeds of \$8,661,108, after payment of \$128,892 in underwriting fees and other issuance costs, plus \$588,074 of reoffering premium, were used to purchase U.S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the March 15, 2001 general obligation bonds in the aggregate principal amount of \$8,600,000. As a result, the March 15, 2001 general obligation bonds maturing on or after June 15, 2011 are considered to be defeased and the \$6,550,000 liability for those bonds has been removed from the general long-term debt account and the \$2,050,000 liability for those bonds has been removed from the business-type activity funds.

The City advance refunded the March 15, 2001 general obligation bonds to reduce its total debt service payments over the next 10 years by almost \$548,726 and to obtain an economic gain of \$529,603 representing the difference between the present values of the debt service payments on the old and new debt.

Contingent Debt Obligation

The City received funding for two capital projects from the State of New Hampshire through a revolving renovation loan fund for which half of the amount drawn by the City will be covered by a Federal Stimulus Grant. The City will be obligated to repay one-half of the amount drawn over a period of 20 years plus interest at 3.27%. As of June 30, 2010 the project had not been completed and the loan agreement has not closed. If the project cost when completed reaches the full amount of \$3 million, the City's obligation for loan repayment will be approximately \$1.5 million. As of June 30, 2010 the City has spent approximately \$1 million related to these projects.

Notes to Financial Statements

June 30, 2010

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was \$34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at \$8,166,666 of the first \$20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated \$11,016,013 liability for its share of the capping and management of mitigation costs.

The City funded and paid its share of the capping design of \$1,257,357. The City also funded the ongoing project costs over the years with \$2,213,142 in transfers from operational funds, \$2,900,000 from bond authorizations and \$1,237,229 from various sources including state aid, insurance proceeds and a payment from the Town of Madbury.

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of \$19,393,859, including post closure maintenance. The City's new liability is \$8,663,966 for the alternative closure method using the same cost sharing percentage. Of this total, \$7,625,525 relates to the closure and \$1,038,441 relates to post closure maintenance.

The \$8,663,966 liability is further reduced by expenditures incurred from available bonded funds reflecting a net liability at June 30, 2010 of \$5,268,834 relating to the AROD. The Tolend Road Landfill Fund has a fund balance of \$2,910,144 to satisfy the anticipated future obligation.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

NOTE 15 – RESTRICTED NET ASSETS

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

NOTE 16 – RESERVES OF FUND EQUITY

"Reserves" of fund equity are established to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use.

The following types of reserves are reported at June 30, 2010:

Reserved for Encumbrances

An account used to segregate that portion of fund balance committed for expenditure of financial resources upon vendor performance.

Reserved for Inventory

An account used to segregate that portion of fund balance committed for inventory purposes.

Notes to Financial Statements

June 30, 2010

NOTE 16 – RESERVES OF FUND EQUITY - CONTINUED

Reserved for Expenditures

Represents the amount of fund balance appropriated to be used for expenditures in the subsequent year budget.

Reserved for Advances

An account used to segregate a portion of fund balance to indicate that advances to other funds, although a component of assets, do not represent available spendable resources.

Reserved for Other Specific Purposes

Represents the amount of fund balance committed for debt service and capital outlay in subsequent years.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Outstanding Lawsuits

There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

County Deficit

City's property tax assessment is 27% of Strafford County's total assessment. Strafford County had a \$9,219,260 unreserved General Fund Balance deficit on December 31, 2009, the most recent financial statements available.

NOTE 18 – POST-EMPLOYMENT HEALTH CARE

GASB Statement 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net assets when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

Plan Description

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. The benefits, benefit levels, employee contributions and employer contributions are governed by NH RSA 100-A:50.

Notes to Financial Statements

June 30, 2010

NOTE 18 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

As of June 30, 2010, the actuarial valuation date, approximately 123 retirees and 598 active employees meet the eligibility requirements.

Benefits Provided

The City provides medical, dental, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents who meet certain eligibility criteria.

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the New Hampshire Retirement System (NHRS) and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50).

Funding Policy

Retirees contribute various percentages of the cost of the health plan, as determined by the City. The City contributes the remainder of the health plan costs on a pay-as-you-go basis.

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

During the past 10 fiscal years, the City's cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was as follows:

Fiscal Year	Net City Cost
2010	\$ 699,188
2009	655,613
2008	562,787
2007	499,660
2006	401,268
2005	334,247
2004	276,543
2003	108,733
2002	66,030
2001	132,639

For the fiscal year ended June 30, 2010, \$450,355 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

Notes to Financial Statements

June 30, 2010

NOTE 18 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

Annual OPEB Costs and Net OPEB Obligation

The City's fiscal 2010 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the City's annual OPEB cost for the year ending June 30, 2010, the amount actually contributed to the plan and the change in the City's net OPEB obligation based on an actuarial valuation as of June 30, 2010.

Annual required contribution (ARC)	\$ 3,928,163
Interest on net OPEB obligation	539,196
Adjustment to ARC	(701,509)
Annual OPEB cost	<u>3,765,850</u>
Contributions made	<u>(1,251,697)</u>
Increase in net OPEB obligation	2,514,153
Net OPEB obligation - beginning of year	10,783,913
Net OPEB obligation - end of year	<u>\$ 13,298,066</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Cost	Cost Contributed	Obligation
2010	\$ 3,765,850	28%	\$ 13,298,066

The City's net OPEB obligation as of June 30, 2010 is recorded as a liability on the Statement of Net Assets.

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2010, based on the June 30, 2010 actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 42,171,618
Actuarial value of plan assets	
Unfunded actuarial accrued liability (UAAL)	<u>\$ 42,171,618</u>
Funded ratio (actuarial value of plan assets (AAL)	<u>0%</u>
Covered payroll (active plan members)	<u>\$ 29,100,644</u>
UAAL as a percentage of covered payroll	<u>144.9%</u>

Notes to Financial Statements

June 30, 2010

NOTE 18 – POST-EMPLOYMENT HEALTH CARE – CONTINUED

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the City and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2010 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions included a 5.0% investment rate of return and an initial annual healthcare cost trend rate of 10.0% which decreases to a 4.5% long-term rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis.

NOTE 19 – SELF-INSURANCE

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Under the terms of its insurance coverage, the City is liable for \$400,000 per incident. The insurer's limit of liability is \$3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Claims Liability

The following represents changes in the Workers' Compensation claims liability:

	Year Ended June 30, 2010	Year Ended June 30, 2009
Unpaid claims, beginning of fiscal year	\$ 514,460	\$ 596,669
Claims incurred (including IBNRs)	6,749	23,064
Claims paid	(194,885)	(105,273)
Unpaid claims, end of fiscal year	<u>\$ 326,324</u>	<u>\$ 514,460</u>

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$326,324 claims liability as of June 30, 2010, \$208,971 is estimated to be due within one year.

Notes to Financial Statements

June 30, 2010

NOTE 20 – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

NOTE 21 – PENSION PLAN

The City follows the provisions of GASB Statement No. 27, Accounting for Pensions for State and Local Government Employees, with respect to the employees' retirement funds.

Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A:1-a of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hampshire Retirement System at 4 Chenell Drive, Concord, NH 03301-8509.

Funding Policy

Plan members are required to contribute to the pension plan based on their annual covered compensation. The rates for member contributions is statutorily defined by Revised Statutes Annotated 100-A:16. The City and State also make annual contributions to the pension plan equal to the amount required. The New Hampshire Retirement System establishes the employers' and the State's contributory rate every two years. The employer pays 70% of the total employer normal contribution rate for teacher, firefighter and police officer members; the State of New Hampshire pays 30%. The employer pays the entire amount for its employee members. The following table reflects the contribution rates (percent of compensation) during fiscal year 2010 for the members, the City and the State.

Group	Contribution Rates		
	Members	City	State
I Teachers	5.00%	5.80%	3.13%
I Employees	5.00%	8.74%	0.00%
II Police	9.30%	11.84%	6.37%
II Fire	9.30%	15.92%	8.57%

Notes to Financial Statements

June 30, 2010

NOTE 21 – PENSION PLAN – CONTINUED

Contributions to the System were as follows:

Year Ended	The City	Plan Members	Total
2010	\$ 3,315,944	\$ 2,025,750	\$ 5,341,694
2009	2,860,685	2,033,616	4,894,301
2008	2,936,651	2,075,111	5,011,762
2007	2,032,898	2,185,757	4,218,655
2006	2,006,390	2,156,406	4,162,796
2005	1,713,819	1,919,101	3,632,920
2004	1,655,035	1,865,872	3,520,907
2003	1,133,880	1,786,910	2,920,790
2002	1,020,217	1,609,822	2,630,039
2001	972,117	1,502,795	2,474,912

For the fiscal year ended June 30, 2010, \$1,046,599 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

NOTE 22 – OPERATING LEASE REVENUE

The City's owns land and a building that is being leased to a business located in the Enterprise Industrial Park. The lease expires on March 2, 2016. Future non-cancelable lease revenue under this lease as of June 30, 2010 is as follows:

Year Ending	Amount
2011	\$ 180,858
2012	188,562
2013	196,263
2014	203,958
2015	211,662
2016	163,080
Total	<u>\$ 1,144,383</u>

NOTE 23 – NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable adding back any unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net assets invested in capital assets, net of related debt was calculated as follows at June 30, 2010:

(In thousands)	Governmental Activities	Business-Type Activities
Capital assets	\$ 236,850	\$ 114,982
Accumulated depreciation	(90,907)	(47,217)
Bonds payable, total	(79,473)	(24,000)
Unspent bond proceeds	13,555	4,869
Total invested in capital assets, net of related debt	<u>\$ 80,025</u>	<u>\$ 48,634</u>

Schedule of Funding Progress Required Supplementary Information

June 30, 2010
(Unaudited)

Other Post-Employment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2010	\$ -	\$ 42,171,618	\$ 42,171,618	0.0%	\$ 29,100,644	144.9%
7/1/2009	-	42,669,587	42,669,587	0.0%	28,725,197	148.5%
7/1/2008	-	40,449,724	40,449,724	0.0%	27,170,669	148.9%
7/1/2007	-	33,584,481	33,584,481	0.0%	N/A	N/A
7/1/2006	-	31,256,403	31,256,403	0.0%	N/A	N/A

N/A – Not available at time of publication.

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Combining Financial Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- **Community Development Fund** – To account for grant proceeds received from the U.S. Department of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and subgrant expenditures.
- **CDBG Recovery Fund** – To account for the ARRA grant proceeds related to the CDBG program.
- **Housing Rehabilitation Loan Fund** – To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- **Economic Development Loan Fund** – To account for loans given to small business for the purpose of business establishment or expansion.
- **DOE Energy Efficiency Fund** – To account for grant proceeds from the U.S. Department of Education for energy efficiency projects.
- **Police DOJ Fund** – To account for grant proceeds from the U.S. Department of Justice for various drug and alcohol awareness and prevention programs.
- **Homeland Security Fund** – To account for grant proceeds from the U.S. Department of Homeland Security for equipment purchases.
- **Police DHA Fund** – To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.
- **Police DOT Fund** – To account for grant proceeds from the U.S. Department of Transportation for various driving safety programs.
- **DHHS Assistance Programs** – To account for grant proceeds for at-risk youth in the community passed through Department of Health and Human Services.
- **Police Tobacco Fund** – To account for grant proceeds for various tobacco awareness and prevention programs.
- **Emergency Management Fund** – To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.

- **Radiology Emergency Response**– To account for grant proceeds related to emergency preparedness for Seabrook radiology response.
- **DOI Fund** – To account for grant proceeds from the U.S. Department of Interior for various programs.
- **EPA Fund** – To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.
- **School Cafeteria Fund** – To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Department of Education and receipt of U.S. Department of Agriculture food commodities.
- **School Federal Aid Fund** – To account for grants received from the U.S. Department of Education for various programs supporting School operations.
- **School Special Programs Fund** – To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- **Dover Main Street Fund** – To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.
- **Planning Improvements Fund** – To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- **Police and Fire Detail** – To account for police and fire outside detail activity.
- **Parking Activity Fund** – To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- **Police Special Fund** – To account for forfeiture proceeds and special investigative expenditures.
- **Conservation Fund** – To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- **Residential Solid Waste Fund** – To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures or residential solid waste pickup and disposal.
- **McConnell Center Fund** – To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.

- **Recreation Programs Fund** – To account for the revenue and expenditures of self-supporting recreational programs.
- **Recreation Field Maintenance Fund** – to account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.
- **Library Fines Fund** – To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- **Tuition Programs Fund** – To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- **Vocational Center Fund** – To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- **School Alternative Education Fund** – To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- **School Facilities Fund** – To account for gate receipts used toward the cost of facility maintenance and upgrades.
- **Other Special Revenue Funds** – To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

Capital Project Funds

- **CIP FY11** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2011 of the Capital Improvements Program.
- **CIP FY10** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2010 of the Capital Improvements Program.
- **CIP FY09** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2009 of the Capital Improvements Program.
- **CIP FY08** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.

- **CIP FY07** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.
- **CIP FY06** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- **CIP FY05** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- **CIP FY04** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.
- **CIP FY03** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- **CIP FY02** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.
- **CIP FY01** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.
- **CIP FY00** – To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.
- **Tolend Road Landfill Closure** – To account for the revenues from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.
- **Cocheco River Dredge** – To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.

- **Recreation Field Construction** – To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.

Non-Major Governmental Funds**Combining Balance Sheet**

June 30, 2010

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable					
Intergovernmental receivables	\$ 74,051				
Loans receivable			\$ 204,887	\$ 250,988	
Due from other funds			112,817	169,241	
Inventory					
Total Assets	\$ 74,051	\$ -	\$ 317,704	\$ 420,229	
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,049	\$ 21,829	\$ 1,084	\$ 195	\$ 58,052
Accrued liabilities	2,922				
Retainage payable	5,046	8,466			20,246
Deferred revenue			204,889	252,341	
Due to other funds	201,124	8,217			22,936
Advance from other fund					
Compensated absences					
Total Liabilities	211,141	38,512	205,973	252,536	101,234
Fund Balances:					
Reserved for encumbrances	9,449	3,257	17,454		
Reserved for inventory					
Reserved for expenditures					
Unreserved:					
Undesignated, reported in:					
Special revenue fund	(146,539)	(41,769)	94,277	167,693	(101,234)
Capital projects fund					
Total Fund Balances (Deficit)	(137,090)	(38,512)	111,731	167,693	(101,234)
Total Liabilities and Fund Balances	\$ 74,051	\$ -	\$ 317,704	\$ 420,229	\$ -

Special Revenue Funds

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	Emergency Management Fund	Radiology Emergency Response
		\$ 34,033				\$ 24,882	
					\$ 124,812	261,936	\$ 14,600
<u>\$</u>	<u>\$</u>	<u>\$ 34,033</u>	<u>\$</u>	<u>\$</u>	<u>\$ 124,812</u>	<u>\$ 286,818</u>	<u>\$ 14,600</u>
\$ 1,244 11,564		\$ 2,797	\$ 403	\$ 244 3,841	\$ 598	\$ 563	
69,622	\$ 66,913	19,498	5,316	3,056			
<u>82,430</u>	<u>66,913</u>	<u>22,295</u>	<u>5,719</u>	<u>7,141</u>	<u>598</u>	<u>563</u>	
51,324				8,809			
(133,754)	(66,913)	11,738	(5,719)	(15,950)	124,214	286,255	\$ 14,600
<u>(82,430)</u>	<u>(66,913)</u>	<u>11,738</u>	<u>(5,719)</u>	<u>(7,141)</u>	<u>124,214</u>	<u>286,255</u>	<u>14,600</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,812</u>	<u>\$ 286,818</u>	<u>\$ 14,600</u>

	Special Revenue Funds				
	DOI Fund	EPA Fund	School Cafeteria Fund	School Federal Aid Fund	School Special Programs Fund
ASSETS					
Investments					
Departmental receivable					
Intergovernmental receivables			\$ 50,461	\$ 609,626	\$ 211,653
Loans receivable					
Due from other funds	\$ 8,526		55,600		
Inventory			17,625		
Total Assets	<u>\$ 8,526</u>	<u>\$ -</u>	<u>\$ 123,686</u>	<u>\$ 609,626</u>	<u>\$ 211,653</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ 1,099	\$ 67		
Accrued liabilities				\$ 74,249	\$ 21,813
Retainage payable					
Deferred revenue					43,261
Due to other funds		62,014		437,980	162,323
Advance from other fund					
Compensated absences					
Total Liabilities		<u>63,113</u>	<u>67</u>	<u>512,229</u>	<u>227,397</u>
Fund Balances:					
Reserved for encumbrances		54,051		74,996	71,364
Reserved for inventory			17,625		
Reserved for expenditures					
Unreserved:					
Undesignated, reported in:					
Special revenue fund	\$ 8,526	(117,164)	105,994	22,401	(87,108)
Capital projects fund					
Total Fund Balances (Deficit)	<u>8,526</u>	<u>(63,113)</u>	<u>123,619</u>	<u>97,397</u>	<u>(15,744)</u>
Total Liabilities and Fund Balances	<u>\$ 8,526</u>	<u>\$ -</u>	<u>\$ 123,686</u>	<u>\$ 609,626</u>	<u>\$ 211,653</u>

Special Revenue Funds

Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund	Conservation Fund	Residential Solid Waste Fund
		\$ 39,505	\$ 4,506		\$ 242,397	\$ 74,325
	\$ 207,251	55,213	117,821	\$ 43,173	458,143	581,169
						16,120
<u>\$ -</u>	<u>\$ 207,251</u>	<u>\$ 94,718</u>	<u>\$ 122,327</u>	<u>\$ 43,173</u>	<u>\$ 700,540</u>	<u>\$ 671,614</u>
\$ 753		\$ 3,890	\$ 678 4,044			\$ 75,792 2,675
3,207						539,900
<u>3,960</u>		<u>3,890</u>	<u>4,722</u>			<u>618,367</u>
	\$ 13,558		929			44,519 16,120
(3,960)	193,693	90,828	116,676	\$ 43,173	\$ 700,540	(7,392)
<u>(3,960)</u>	<u>207,251</u>	<u>90,828</u>	<u>117,605</u>	<u>43,173</u>	<u>700,540</u>	<u>53,247</u>
<u>\$ -</u>	<u>\$ 207,251</u>	<u>\$ 94,718</u>	<u>\$ 122,327</u>	<u>\$ 43,173</u>	<u>\$ 700,540</u>	<u>\$ 671,614</u>

	Special Revenue Funds				
	McConnell Center Fund	Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Tuition Programs Fund
ASSETS					
Cash and short-term investments					
Investments					
Departmental receivable	\$ 47,449	\$ 7			\$ 5,297
Intergovernmental receivables					3,000
Loans receivable					
Due from other funds		348,274	\$ 36,193	\$ 45,809	
Inventory					
Total Assets	\$ 47,449	\$ 348,281	\$ 36,193	\$ 45,809	\$ 8,297
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 5,460	\$ 3,867	\$ 3,403	\$ 6,317	
Accrued liabilities	1,593	6,916			\$ (4,402)
Retainage payable					
Deferred revenue					
Due to other funds					14,475
Advance from other fund	732,278				
Compensated absences					
Total Liabilities	739,331	10,783	3,403	6,317	10,073
Fund Balances:					
Reserved for encumbrances	1,685	1,007	12,479		
Reserved for inventory					
Reserved for expenditures					
Unreserved:					
Undesignated, reported in:					
Special revenue fund	(693,567)	336,491	20,311	39,492	(1,776)
Capital projects fund					
Total Fund Balances (Deficit)	(691,882)	337,498	32,790	39,492	(1,776)
Total Liabilities and Fund Balances	\$ 47,449	\$ 348,281	\$ 36,193	\$ 45,809	\$ 8,297

Special Revenue Funds					Capital Projects Funds		
Vocational Center Fund	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals	CIP FY 11	CIP FY10	CIP FY09
			\$ 2,638,624	\$ 2,638,624			
			2,420,665	2,420,665			
		\$ 13,517	381,754	808,757			
				1,007,706			
				455,875			
\$ 906	\$ 540,096	168,537		3,350,117	\$ 2,327,213	\$ 2,967,340	\$ 2,400,246
				33,745			
<u>\$ 906</u>	<u>\$ 540,096</u>	<u>\$ 182,054</u>	<u>\$ 5,441,043</u>	<u>\$ 10,715,489</u>	<u>\$ 2,327,213</u>	<u>\$ 2,967,340</u>	<u>\$ 2,400,246</u>
	\$ 1,652	\$ 1,142	\$ 1,648	\$ 185,822		\$ 599,594	\$ 15,641
	79,043			213,262			
				33,758		372,715	65,048
			403,064	903,555			
	361,134		1,035,656	3,013,371			
				732,278			
	<u>441,829</u>	<u>1,142</u>	<u>1,440,368</u>	<u>5,082,046</u>		<u>972,309</u>	<u>80,689</u>
	2,150	1,632	9,195	377,858	\$ 1,486,730	1,905,794	304,238
				33,745			
			20,000	20,000			
\$ 906	96,117	179,280	3,971,480	5,201,840	840,483		
						89,237	2,015,319
<u>906</u>	<u>98,267</u>	<u>180,912</u>	<u>4,000,675</u>	<u>5,633,443</u>	<u>2,327,213</u>	<u>1,995,031</u>	<u>2,319,557</u>
<u>\$ 906</u>	<u>\$ 540,096</u>	<u>\$ 182,054</u>	<u>\$ 5,441,043</u>	<u>\$ 10,715,489</u>	<u>\$ 2,327,213</u>	<u>2,967,340</u>	<u>\$ 2,400,246</u>

Capital Projects Funds

	CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03
ASSETS						
Cash and short-term investments						
Investments						
Departmental receivable						
Intergovernmental receivables				\$ 54,587		
Loans receivable						
Due from other funds	\$ 3,042,353		\$ 212,973		\$ 917,734	\$ 55,780
Inventory						
Total Assets	<u>\$ 3,042,353</u>	<u>\$ -</u>	<u>\$ 212,973</u>	<u>\$ 54,587</u>	<u>\$ 917,734</u>	<u>\$ 55,780</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable				\$ 4,785		
Accrued liabilities	\$ 553					
Retainage payable	4,410			69,903		\$ 300
Deferred revenue						
Due to other funds		\$ 826,881		227,789		
Advance from other fund						
Compensated absences						
Total Liabilities	<u>4,963</u>	<u>826,881</u>		<u>302,477</u>		<u>300</u>
Fund Balances:						
Reserved for encumbrances	814,306	25,541	\$ 1,100	87,171	\$ 7,218	
Reserved for inventory						
Reserved for expenditures						
Unreserved:						
Undesignated, reported in:						
Special revenue fund						
Capital projects fund	2,223,084	(852,422)	211,873	(335,061)	910,516	55,480
Total Fund Balances (Deficit)	<u>3,037,390</u>	<u>(826,881)</u>	<u>212,973</u>	<u>(247,890)</u>	<u>917,734</u>	<u>55,480</u>
Total Liabilities and Fund Balances	<u>\$ 3,042,353</u>	<u>\$ -</u>	<u>\$ 212,973</u>	<u>\$ 54,587</u>	<u>\$ 917,734</u>	<u>\$ 55,780</u>

Capital Projects Funds						Capital Projects Funds	
CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Subtotals	Total
							\$ 2,638,624
							2,420,665
							808,757
						\$ 54,587	1,062,293
							455,875
\$ 3,077	\$ 98,177		\$ 2,912,209		\$ 322,107	15,259,209	18,609,326
							33,745
<u>\$ 3,077</u>	<u>\$ 98,177</u>	<u>\$ -</u>	<u>\$ 2,912,209</u>	<u>\$ -</u>	<u>\$ 322,107</u>	<u>\$ 15,313,796</u>	<u>\$ 26,029,285</u>
						\$ 620,020	\$ 805,842
			\$ 2,065			2,618	215,880
\$ 2,725				\$ 525		515,626	549,384
							903,555
		\$ 41,948		195,522		1,292,140	4,305,511
							732,278
<u>2,725</u>		<u>41,948</u>	<u>2,065</u>	<u>196,047</u>		<u>2,430,404</u>	<u>7,512,450</u>
				629,449		5,261,547	5,639,405
							33,745
							20,000
						840,483	6,042,323
352	\$ 98,177	(41,948)	2,910,144	(825,496)	\$ 322,107	6,781,362	6,781,362
<u>352</u>	<u>98,177</u>	<u>(41,948)</u>	<u>2,910,144</u>	<u>(196,047)</u>	<u>322,107</u>	<u>12,883,392</u>	<u>18,516,835</u>
<u>\$ 3,077</u>	<u>\$ 98,177</u>	<u>\$ -</u>	<u>\$ 2,912,209</u>	<u>\$ -</u>	<u>\$ 322,107</u>	<u>\$ 15,313,796</u>	<u>\$ 26,029,285</u>

Non-Major Governmental Funds**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

For Fiscal Year Ended June 30, 2010

	Special Revenue Funds				
	Community Development Fund	CDBG Recovery Fund	Housing Rehab Loan Fund	Economic Development Loan Fund	DOE Energy Efficiency Fund
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental	\$ 362,744	\$ 23,765			
Current services	14,740		\$ 16,686	\$ (23,735)	
Miscellaneous	524				
Total Revenues	<u>378,008</u>	<u>23,765</u>	<u>16,686</u>	<u>(23,735)</u>	
Expenditures:					
Current:					
General government		62,277			
Public safety					
Public works					\$ 101,234
Culture and recreation					
Education					
Human services	370,009		41,546	100,043	
Debt service					
Total Expenditures	<u>370,009</u>	<u>62,277</u>	<u>41,546</u>	<u>100,043</u>	<u>101,234</u>
Excess (deficiency) of revenues over expenditures	7,999	(38,512)	(24,860)	(123,778)	(101,234)
Other Financing Sources:					
Bond proceeds					
Transfers in (out)					
Net change in fund balances	7,999	(38,512)	(24,860)	(123,778)	(101,234)
Fund Balances, Beginning (Deficit)	<u>(145,089)</u>		<u>136,591</u>	<u>291,471</u>	
Fund Balances, Ending (Deficit)	<u>\$ (137,090)</u>	<u>\$ (38,512)</u>	<u>\$ 111,731</u>	<u>\$ 167,693</u>	<u>\$ (101,234)</u>

Police DOJ Fund	Homeland Security Fund	Police DHA Fund	Special Revenue Funds			Emergency Management Fund
			Police DOT Fund	DHHS Assistance Programs	Police Tobacco Fund	
\$ 257,756	\$ 110,948	\$ 135,950	\$ 33,570	\$ 117,013	\$ 75,826 2,550	\$ 219,456
<u>257,756</u>	<u>110,948</u>	<u>135,950</u>	<u>33,570</u>	<u>117,013</u>	<u>78,376</u>	<u>219,456</u>
526,674	374,307	135,244	31,582	164,940	14,973	40,800
<u>526,674</u>	<u>374,307</u>	<u>135,244</u>	<u>31,582</u>	<u>164,940</u>	<u>14,973</u>	<u>40,800</u>
(268,918)	(263,359)	706	1,988	(47,927)	63,403	178,656
<u>181,554</u>	<u>232,786</u>					<u>32,050</u>
(87,364)	(30,573)	706	1,988	(47,927)	63,403	210,706
<u>4,934</u>	<u>(36,340)</u>	<u>11,032</u>	<u>(7,707)</u>	<u>40,786</u>	<u>60,811</u>	<u>75,549</u>
\$ (82,430)	\$ (66,913)	\$ 11,738	\$ (5,719)	\$ (7,141)	\$ 124,214	\$ 286,255

	Special Revenue Funds				
	Radiology Emergency Response	DOI Fund	EPA Fund	School Cafeteria Fund	School Federal Aid Fund
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental	\$ 22,418		\$ 52,994	\$ 607,754	\$ 3,023,136
Current services				810,591	
Miscellaneous					
Total Revenues	<u>22,418</u>		<u>52,994</u>	<u>1,418,345</u>	<u>3,023,136</u>
Expenditures:					
Current:					
General government			70,673		
Public safety					
Public works					
Culture and recreation					
Education				1,318,421	2,966,187
Human services					
Debt service					
Total Expenditures	<u></u>		<u>70,673</u>	<u>1,318,421</u>	<u>2,966,187</u>
Excess (deficiency) of revenues over expenditures	22,418		(17,679)	99,924	56,949
Other Financing Sources:					
Bond proceeds					
Transfers in (out)	<u></u>		<u></u>	<u></u>	<u></u>
Net change in fund balances	22,418		(17,679)	99,924	56,949
Fund Balances, Beginning (Deficit)	<u>(7,818)</u>	\$ <u>8,526</u>	<u>(45,434)</u>	<u>23,695</u>	<u>40,448</u>
Fund Balances, Ending (Deficit)	\$ <u>14,600</u>	\$ <u>8,526</u>	\$ <u>(63,113)</u>	\$ <u>123,619</u>	\$ <u>97,397</u>

Special Revenue Funds					
Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund	Police Special Fund
					\$ 2,121
\$ 1,436,312	\$ 9,544	\$ 4,000	\$ 277,589	\$ 279,936	
				91	
<u>1,436,312</u>	<u>9,544</u>	<u>4,000</u>	<u>277,589</u>	<u>280,027</u>	<u>2,121</u>
	9,759		235,437	235,909	9,618
		11,632			
1,455,175					
<u>1,455,175</u>	<u>9,759</u>	<u>11,632</u>	<u>235,437</u>	<u>235,909</u>	<u>9,618</u>
(18,863)	(215)	(7,632)	42,152	44,118	(7,497)
			(45,000)		
(18,863)	(215)	(7,632)	(2,848)	44,118	(7,497)
<u>3,119</u>	<u>(3,745)</u>	<u>214,883</u>	<u>93,676</u>	<u>73,487</u>	<u>50,670</u>
\$ <u>(15,744)</u>	\$ <u>(3,960)</u>	\$ <u>207,251</u>	\$ <u>90,828</u>	\$ <u>117,605</u>	\$ <u>43,173</u>

	Special Revenue Funds				
	Conservation Fund	Solid Waste Fund	McConnell Center Fund	Recreation Programs Fund	Field Maintenance Fund
Revenues:					
Taxes	\$ 459,550				
Licenses and permits					
Intergovernmental					
Current services		\$ 952,245	\$ 573,605	\$ 287,061	\$ 16,175
Miscellaneous		648		42	
Total Revenues	<u>459,550</u>	<u>952,893</u>	<u>573,605</u>	<u>287,103</u>	<u>16,175</u>
Expenditures:					
Current:					
General government	251,285				
Public safety					
Public works		983,014			
Culture and recreation			370,950	274,509	31,470
Education					
Human services					
Debt service			405,194		
Total Expenditures	<u>251,285</u>	<u>983,014</u>	<u>776,144</u>	<u>274,509</u>	<u>31,470</u>
Excess (deficiency) of revenues over expenditures	208,265	(30,121)	(202,539)	12,594	(15,295)
Other Financing Sources:					
Bond proceeds					
Transfers in (out)			144,906	15,500	
Net change in fund balances	208,265	(30,121)	(57,633)	28,094	(15,295)
Fund Balances, Beginning (Deficit)	<u>492,275</u>	<u>83,368</u>	<u>(634,249)</u>	<u>309,404</u>	<u>48,085</u>
Fund Balances, Ending (Deficit)	<u>\$ 700,540</u>	<u>\$ 53,247</u>	<u>\$ (691,882)</u>	<u>\$ 337,498</u>	<u>\$ 32,790</u>

Special Revenue Funds						
Library Fines Fund	Tuition Programs Fund	Vocational Center Fund	Alternative Education Fund	School Facilities Fund	Special Revenue Funds	Subtotals
					\$ 194,313	\$ 459,550
						196,434
						6,479,642
\$ 43,536	\$ 329,306		\$ 331,660	\$ 143,534		4,069,023
					152,710	154,015
<u>43,536</u>	<u>329,306</u>		<u>331,660</u>	<u>143,534</u>	<u>347,023</u>	<u>11,358,664</u>
					(15,158)	378,836
					90,422	1,859,906
					2,656	1,098,536
56,839					27,703	761,471
	344,397		801,025	94,150	(57,056)	6,922,299
						511,598
						405,194
<u>56,839</u>	<u>344,397</u>		<u>801,025</u>	<u>94,150</u>	<u>48,567</u>	<u>11,937,840</u>
(13,303)	(15,091)		(469,365)	49,384	298,456	(579,176)
			447,000		54,144	1,062,940
(13,303)	(15,091)		(22,365)	49,384	352,600	483,764
<u>52,795</u>	<u>13,315</u>	\$ 906	<u>120,632</u>	<u>131,528</u>	<u>3,648,075</u>	<u>5,149,679</u>
\$ <u>39,492</u>	\$ <u>(1,776)</u>	\$ 906	\$ <u>98,267</u>	\$ <u>180,912</u>	\$ <u>4,000,675</u>	\$ <u>5,633,443</u>

Capital Projects Funds					
	CIP FY 11	CIP FY10	CIP FY09	CIP FY08	CIP FY07
Revenues:					
Taxes					
Licenses and permits					
Intergovernmental				\$ 1,237,379	\$ 670,828
Current services					
Miscellaneous					
Total Revenues				<u>1,237,379</u>	<u>670,828</u>
Expenditures:					
Current:					
General government			\$ 169,301		
Public safety		\$ 91,213	125,000	30,432	
Public works		1,542,503	861,459	590,225	2,334,407
Culture and recreation		40,874		29,310	
Education	\$ 15,729	1,440,834	1,779,198	123,404	50,474
Human services					
Debt service					
Total Expenditures	<u>15,729</u>	<u>3,115,424</u>	<u>2,934,958</u>	<u>773,371</u>	<u>2,384,881</u>
Excess (deficiency) of revenues over expenditures	(15,729)	(3,115,424)	(2,934,958)	464,008	(1,714,053)
Other Financing Sources:					
Bond proceeds	2,342,942	5,946,058	1,550,000		
Transfers in (out)					
Net change in fund balances	2,327,213	2,830,634	(1,384,958)	464,008	(1,714,053)
Fund Balances, Beginning (Deficit)		(835,603)	3,704,515	2,573,382	887,172
Fund Balances, Ending (Deficit)	<u>\$ 2,327,213</u>	<u>\$ 1,995,031</u>	<u>\$ 2,319,557</u>	<u>\$ 3,037,390</u>	<u>\$ (826,881)</u>

Capital Projects Funds

CIP FY06	CIP FY05	CIP FY04	CIP FY03	CIP FY02	CIP FY01	CIP FY00
	\$ 357,835					
	<u>357,835</u>					
\$ 201	3,384					
(25)	84,347	\$ 22,202				\$ 339
69,635	1,952	3,000				
<u>69,811</u>	<u>89,683</u>	<u>25,202</u>				<u>339</u>
(69,811)	268,152	(25,202)				(339)
<u>(69,811)</u>	<u>268,152</u>	<u>(25,202)</u>				<u>(339)</u>
282,784	(516,042)	942,936	\$ 55,480	\$ 352	\$ 98,177	(41,609)
<u>\$ 212,973</u>	<u>\$ (247,890)</u>	<u>\$ 917,734</u>	<u>\$ 55,480</u>	<u>\$ 352</u>	<u>\$ 98,177</u>	<u>\$ (41,948)</u>

	Capital Projects Funds				Total
	Tolend Rd Landfill Closure	Cocheco River Dredge	Recreation Field Construction	Subtotals	
Revenues:					
Taxes					\$ 459,550
Licenses and permits					196,434
Intergovernmental				\$ 2,266,042	8,745,684
Current services					4,069,023
Miscellaneous			\$ 145,575	145,575	299,590
Total Revenues			<u>145,575</u>	<u>2,411,617</u>	<u>13,770,281</u>
Expenditures:					
Current:					
General government				169,301	548,137
Public safety				250,029	2,109,935
Public works	\$ 1,333,773	\$ 15,407		6,784,863	7,883,399
Culture and recreation			18,270	91,429	852,900
Education				3,481,226	10,403,525
Human services					511,598
Debt service					405,194
Total Expenditures	<u>1,333,773</u>	<u>15,407</u>	<u>18,270</u>	<u>10,776,848</u>	<u>22,714,688</u>
Excess (deficiency) of revenues over expenditures	(1,333,773)	(15,407)	127,305	(8,365,231)	(8,944,407)
Other Financing Sources:					
Bond proceeds				9,839,000	9,839,000
Transfers in (out)			(400,000)	(400,000)	662,940
Net change in fund balances	(1,333,773)	(15,407)	(272,695)	1,073,769	1,557,533
Fund Balances, Beginning (Deficit)	<u>4,243,917</u>	<u>(180,640)</u>	<u>594,802</u>	<u>11,809,623</u>	<u>16,959,302</u>
Fund Balances, Ending (Deficit)	<u>\$ 2,910,144</u>	<u>\$ (196,047)</u>	<u>\$ 322,107</u>	<u>\$ 12,883,392</u>	<u>\$ 18,516,835</u>

Detail and Combining Budget and Actual Schedules

General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, human services, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

Detail Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Taxes				
Property taxes	\$ 59,738,923	\$ 59,532,777	\$ 59,336,642	\$ (196,135)
Boat tax	15,000	15,000	17,366	2,366
Yield tax	3,000	3,000	1,560	(1,440)
Payment in lieu of taxes	55,000	55,000	54,384	(616)
Excavation tax	5,000	5,000	3,600	(1,400)
Railroad tax	910	910	4,638	3,728
National bank stock tax	10	10		(10)
Tax interest and penalties	220,000	220,000	303,359	83,359
Total Taxes	<u>60,037,843</u>	<u>59,831,697</u>	<u>59,721,549</u>	<u>(110,148)</u>
Licenses and Permits				
Health licenses and permits	30,000	30,000	35,472	5,472
Building permits	275,000	275,000	264,561	(10,439)
Peddlers and vendors licenses	900	900	1,075	175
Motor vehicle permits	3,820,000	3,820,000	3,567,586	(252,414)
Electrical permits	70,000	70,000	61,784	(8,216)
Plumbing permits	65,000	65,000	53,911	(11,089)
Trailer park permits	175	175	150	(25)
Fire and rescue permits	2,900	2,900	490	(2,410)
Dog licenses	17,403	17,403	17,668	265
Marriage license fees	2,450	2,450	1,966	(484)
Birth, death and marriage certificates	22,002	22,002	19,819	(2,183)
Miscellaneous licenses and permits	6,770	6,770	7,330	560
Taxi licenses	1,200	1,200	1,575	375
Video and arcade licenses	1,200	1,200	450	(750)
Total Licenses and Permits	<u>4,315,000</u>	<u>4,315,000</u>	<u>4,033,837</u>	<u>(281,163)</u>
Intergovernmental				
Shared revenue block grant	600,243			
Rooms and meals distribution	1,283,372	1,283,484	1,283,484	-
Federal grant reimbursement	143,920	143,920	17,463	(126,457)
State reimbursement	22,420	27,609	146,187	118,578
Highway block grant	479,764	500,233	480,571	(19,662)
Miscellaneous Intergovernmental	59,099	59,099	117,619	58,520
Total Intergovernmental	<u>2,588,818</u>	<u>2,014,345</u>	<u>2,045,324</u>	<u>30,979</u>

(continued)

(continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Current Services				
Sales and service charges	1,343,671	1,343,671	1,147,001	(196,670)
Copy sales	400	400	419	19
Vending machine sales	7,200	7,200	5,645	(1,555)
Commissions	5,050	5,050	5,105	55
Ambulance services	728,000	728,000	774,856	46,856
Interment charges	55,750	55,750	37,528	(18,222)
Headstone foundations	5,000	5,000	1,008	(3,992)
Pro shop	15,000	15,000	15,347	347
Recreation charges	384,263	384,263	292,186	(92,077)
Non-resident charges	133,905	133,905	43,878	(90,027)
Food sales	58,488	58,488	47,591	(10,897)
Vending sales	20,000	20,000	9,259	(10,741)
Department overhead allocations	340,600	340,600	340,600	
Miscellaneous service charges	34,130	34,130	36,255	2,125
Total Current Services	<u>3,131,457</u>	<u>3,131,457</u>	<u>2,756,678</u>	<u>(374,779)</u>
Education				
Education revenue	13,011,005	13,211,005	13,050,143	(160,862)
Total Education Income	<u>13,011,005</u>	<u>13,211,005</u>	<u>13,050,143</u>	<u>(160,862)</u>
Miscellaneous				
Miscellaneous revenue	29,300	29,300	11,506	(17,794)
District court receipts	25,000	25,000	12,363	(12,637)
Miscellaneous fines and forfeits	13,060	13,060	22,267	9,207
Proceeds from refunding			110,667	110,667
Sale of city property	31,375	31,375	44,992	13,617
Investment income	282,162	282,162	26,089	(256,073)
Facilities rental	184,266	184,266	174,395	(9,871)
Interest on arrears			6,081	6,081
Equipment rental	10,000	10,000	1,900	(8,100)
Total Miscellaneous	<u>575,163</u>	<u>575,163</u>	<u>410,260</u>	<u>(164,903)</u>
Other Financing Sources				
Transfers in	117,924	517,924	515,856	(2,068)
Proceeds from refunding			8,790,000	8,790,000
Premium on bonds sold			260,390	260,390
Total Other Financing Sources	<u>117,924</u>	<u>517,924</u>	<u>9,566,246</u>	<u>9,048,322</u>
Total Revenues and Other Financing Sources	<u>\$ 83,777,210</u>	<u>\$ 83,596,591</u>	<u>\$ 91,584,037</u>	<u>\$ 7,987,446</u>

Detail Schedule of Expenditures and Other Financing Uses Budget and Actual - General Fund

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government				
City Council	\$ 301,884	\$ 301,884	\$ 298,714	\$ 3,170
Executive	780,347	780,887	727,163	53,724
Finance	1,411,996	1,411,456	1,403,513	7,943
Planning	381,875	404,875	400,873	4,002
Miscellaneous	786,757	890,594	850,946	39,648
Total General Government	<u>3,662,859</u>	<u>3,789,696</u>	<u>3,681,209</u>	<u>108,487</u>
Public Safety				
Police	6,341,897	6,141,898	6,132,694	9,204
Fire and rescue	6,247,029	6,444,629	6,390,304	54,325
Total Public Safety	<u>12,588,926</u>	<u>12,586,527</u>	<u>12,522,998</u>	<u>63,529</u>
Public Works				
Community Services - Public Works	5,548,705	5,354,105	4,774,338	579,767
Total Public Works	<u>5,548,705</u>	<u>5,354,105</u>	<u>4,774,338</u>	<u>579,767</u>
Culture and Recreation				
Recreation	2,353,275	2,337,275	2,096,526	240,749
Public Library	1,063,736	1,068,925	1,049,753	19,172
Total Culture and Recreation	<u>3,417,011</u>	<u>3,406,200</u>	<u>3,146,279</u>	<u>259,921</u>
Human Services				
Human Services	712,277	712,276	694,968	17,308
Total Human Services	<u>712,277</u>	<u>712,276</u>	<u>694,968</u>	<u>17,308</u>
Education				
School Department	44,633,221	40,699,081	40,364,169	334,912
Total Education	<u>44,633,221</u>	<u>40,699,081</u>	<u>40,364,169</u>	<u>334,912</u>
Debt Service				
Principal	4,076,998	6,394,600	6,404,599	(9,999)
Interest	2,009,793	3,498,466	3,100,643	397,823
Total Debt Service	<u>6,086,791</u>	<u>9,893,066</u>	<u>9,505,242</u>	<u>387,824</u>
Intergovernmental				
County tax	7,002,420	7,030,640	7,030,640	
Total Intergovernmental	<u>7,002,420</u>	<u>7,030,640</u>	<u>7,030,640</u>	
Transfers				
Transfer out	125,000	125,000	125,000	
Total Transfers	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	
Other financing use				
Payment to refunded bond escrow agent			9,050,390	(9,050,390)
Total Expenditures and Other Financing Uses	<u>\$ 83,777,210</u>	<u>\$ 83,596,591</u>	<u>\$ 90,895,233</u>	<u>\$ (7,298,642)</u>
Excess of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>688,804</u>	<u>688,804</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2010

	Parking Activity		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 341,665	\$ 136,362	\$ (205,303)
Intergovernmental			
Miscellaneous		143,665	143,665
Other financing sources			
Total Revenues	<u>341,665</u>	<u>280,027</u>	<u>(61,638)</u>
Expenditures:			
Public safety	341,665	235,922	105,743
Education			
Public works			
Culture and recreation			
Debt service			
Total Expenditures	<u>341,665</u>	<u>235,922</u>	<u>105,743</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 44,105</u>	<u>\$ 44,105</u>

Residential Solid Waste			Library Fines		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 1,077,465	\$ 952,245	\$ (125,220)	\$ 45,186	\$ 43,536	\$ (1,650)
	648	648			
			57,059		(57,059)
<u>1,077,465</u>	<u>952,893</u>	<u>(124,572)</u>	<u>102,245</u>	<u>43,536</u>	<u>(58,709)</u>
1,077,465	952,698	124,767	102,245	56,816	45,429
<u>1,077,465</u>	<u>952,698</u>	<u>124,767</u>	<u>102,245</u>	<u>56,816</u>	<u>45,429</u>
\$ <u>-</u>	\$ <u>195</u>	\$ <u>195</u>	\$ <u>-</u>	\$ <u>(13,280)</u>	\$ <u>(13,280)</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2010

	Tuition Programs		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 348,761	\$ 329,306	\$ (19,455)
Intergovernmental			
Miscellaneous revenue			
Other financing sources			
Total Revenues	<u>348,761</u>	<u>329,306</u>	<u>(19,455)</u>
Expenditures:			
Public safety			
Education	348,761	330,836	17,925
Public works			
Culture and recreation			
Debt service			
Total Expenditures	<u>348,761</u>	<u>330,836</u>	<u>17,925</u>
Revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>(1,530)</u>	\$ <u>(1,530)</u>

School Alternative Education			School Facilities		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 415,300	\$ 331,661	\$ (83,639)	\$ 117,075	\$ 143,534	\$ 26,459
<u>447,000</u>	<u>447,000</u>				
<u>862,300</u>	<u>778,661</u>	<u>(83,639)</u>	<u>117,075</u>	<u>143,534</u>	<u>26,459</u>
862,300	802,086	60,214	117,075	83,361	33,714
<u>862,300</u>	<u>802,086</u>	<u>60,214</u>	<u>117,075</u>	<u>83,361</u>	<u>33,714</u>
\$ <u>-</u>	\$ <u>(23,425)</u>	\$ <u>(23,425)</u>	\$ <u>-</u>	\$ <u>60,173</u>	\$ <u>60,173</u>

Combining Schedule of Revenues and Expenditures Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2010

	McConnell Center		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Charges for services	\$ 629,818	\$ 573,605	\$ (56,213)
Intergovernmental			
Miscellaneous			
Other financing sources	144,906	144,906	
Total Revenues	<u>774,724</u>	<u>718,511</u>	<u>(56,213)</u>
Expenditures:			
Public safety			
Education			
Public works			
Culture and recreation	369,530	370,950	(1,420)
Debt service	405,194	405,194	
Total Expenditures	<u>774,724</u>	<u>776,144</u>	<u>(1,420)</u>
Revenues and other financing source over (under) expenditures	\$ <u>-</u>	\$ <u>(57,633)</u>	\$ <u>(57,633)</u>

Police DHA Fund			School Cafeteria		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 136,130	\$ 135,950	\$ (180)	\$ 921,402 416,439	\$ 826,970 591,375	\$ (94,432) 174,936
<u>136,130</u>	<u>135,950</u>	<u>(180)</u>	<u>1,337,841</u>	<u>1,418,345</u>	<u>80,504</u>
136,130	135,245	885	1,337,841	1,318,425	19,416
<u>136,130</u>	<u>135,245</u>	<u>885</u>	<u>1,337,841</u>	<u>1,318,425</u>	<u>19,416</u>
<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 705</u>	<u>\$ -</u>	<u>\$ 99,920</u>	<u>\$ 99,920</u>

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Enterprise Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

Enterprise Funds**Schedule of Revenues and Expenses - Budget and Actual****For the Year Ended June 30, 2010**

		Water Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,141,633	\$ 3,820,888	\$ (320,745)
Other	21,000	41,721	20,721
Total Operating Revenues	<u>4,162,633</u>	<u>3,862,609</u>	<u>(300,024)</u>
Operating Expenses:			
Personnel services	1,198,784	1,160,428	38,356
Purchased services	262,811	215,175	47,636
Supplies and materials	558,084	762,727	(204,643)
Minor equipment	141,072	46,965	94,107
Other	152,990	155,225	(2,235)
Depreciation	984,298	903,461	80,837
Total Operating Expenses	<u>3,298,039</u>	<u>3,243,981</u>	<u>54,058</u>
Operating Income (Loss)	<u>864,594</u>	<u>618,628</u>	<u>(245,966)</u>
Non-Operating Income (Expenses):			
Interest expense	(492,198)	(444,208)	47,990
Intergovernmental			
Total Non-Operating Income (Expenses)	<u>(492,198)</u>	<u>(444,208)</u>	<u>47,990</u>
Net Income (Loss) Before Transfers	<u>372,396</u>	<u>174,420</u>	<u>(197,976)</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(450,000)	(450,000)	
Total Other Financing Sources and Uses	<u>(450,000)</u>	<u>(450,000)</u>	
Net Income (Loss)	<u>\$ (77,604)</u>	<u>\$ (275,580)</u>	<u>\$ (197,976)</u>

	Sewer Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,579,371	\$ 3,870,750	\$ (708,621)
Other	32,000	43,242	11,242
Total Operating Revenues	<u>4,611,371</u>	<u>3,913,992</u>	<u>(697,379)</u>
Operating Expenses:			
Personnel services	1,467,409	1,563,403	(95,994)
Purchased services	215,382	316,722	(101,340)
Supplies and materials	971,838	910,201	61,637
Minor equipment	146,596	225,119	(78,523)
Other	206,800	208,951	(2,151)
Depreciation	1,897,220	1,965,650	(68,430)
Total Operating Expenses	<u>4,905,245</u>	<u>5,190,046</u>	<u>(284,801)</u>
Operating Income (Loss)	<u>(293,874)</u>	<u>(1,276,054)</u>	<u>(982,180)</u>
Non-Operating Income (Expenses):			
Interest expense	(533,519)	(492,976)	40,543
Intergovernmental			-
Total Non-Operating Income (Expenses)	<u>(533,519)</u>	<u>(492,976)</u>	<u>40,543</u>
Net Income (Loss) Before Transfers	<u>(827,393)</u>	<u>(1,769,030)</u>	<u>(941,637)</u>
Other Financing Sources and Uses:			
Use of retained earnings			
Transfers out	(400,000)	(400,000)	-
Total Other Financing Sources and Uses	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Net Income (Loss)	<u>\$ (1,227,393)</u>	<u>\$ (2,169,030)</u>	<u>\$ (941,637)</u>

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Internal Service Funds

- **Dover Net Fund** – To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.
- **Central Stores Fund** – To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.
- **Fleet Maintenance Fund** – To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.
- **Workers Compensation Fund** – To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.

Internal Service Funds

Combining Statement of Net Assets

June 30, 2010

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	Total
ASSETS					
Current:					
Departmental and other receivables	\$ 46,637		\$ 4,539	\$ 1,055	\$ 52,231
Due from other funds	511,509	\$ 60,129	28,438	955,030	1,555,106
Prepaid expenses			1,910		1,910
Inventory			46,797		46,797
Total Assets	<u>558,146</u>	<u>60,129</u>	<u>81,684</u>	<u>956,085</u>	<u>1,656,044</u>
LIABILITIES					
Current:					
Accounts payable	3,857	3,355	5,671	22,663	35,546
Accrued liabilities	6,541		10,418		16,959
Claims liability				208,971	208,971
Compensated absences	12,717		23,792		36,509
Total Current Liabilities	<u>23,115</u>	<u>3,355</u>	<u>39,881</u>	<u>231,634</u>	<u>297,985</u>
Non-current:					
Claims liability, net of current portion				117,353	117,353
Total Liabilities	<u>23,115</u>	<u>3,355</u>	<u>39,881</u>	<u>348,987</u>	<u>415,338</u>
NET ASSETS					
Restricted for capital projects	357,330				357,330
Unrestricted	<u>177,701</u>	<u>56,774</u>	<u>41,803</u>	<u>607,098</u>	<u>883,376</u>
Total Net Assets	<u>\$ 535,031</u>	<u>\$ 56,774</u>	<u>\$ 41,803</u>	<u>\$ 607,098</u>	<u>\$ 1,240,706</u>

Internal Service Funds

Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets

For Fiscal Year Ended June 30, 2010

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	Total
Operating Revenues:					
Charges for services	\$ 192,608	\$ 100,059	\$ 569,015	\$ 391,388	\$ 1,253,070
Miscellaneous	<u>278,330</u>		<u>20,720</u>	<u>1,402</u>	<u>300,452</u>
Total Operating Revenues	<u>470,938</u>	<u>100,059</u>	<u>589,735</u>	<u>392,790</u>	<u>1,553,522</u>
Operating Expenses:					
Personal services	200,124		408,462	(107,830)	500,756
Purchased services	114,824	49,941	5,756	187,349	357,870
Supplies	4,264	37,734	13,563		55,561
Minor equipment	58,017				58,017
Other expenses			<u>220,321</u>	<u>19,283</u>	<u>239,604</u>
Total Operating Expenses	<u>377,229</u>	<u>87,675</u>	<u>648,102</u>	<u>98,802</u>	<u>1,211,808</u>
Operating Income (Loss)	<u>93,709</u>	<u>12,384</u>	<u>(58,367)</u>	<u>293,988</u>	<u>341,714</u>
Other Financing Sources (Uses)					
Transfer out					
Intergovernmental					
Total Other Financing Sources (Uses)					
Change in Net Assets	93,709	12,384	(58,367)	293,988	341,714
Net Assets at Beginning of Year	<u>441,322</u>	<u>44,390</u>	<u>100,170</u>	<u>313,110</u>	<u>898,992</u>
Net Assets at End of Year	<u>\$ 535,031</u>	<u>\$ 56,774</u>	<u>\$ 41,803</u>	<u>\$ 607,098</u>	<u>\$ 1,240,706</u>

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2010

	Dover Net Fund	Central Stores Fund	Fleet Maintenance Fund	Workers Compensation Fund	Total
Cash Flows From Operating Activities:					
Receipts from customers and users for services	\$ 473,219	\$ 100,059	\$ 591,792	\$ 391,735	\$ 1,556,805
Payments to vendors and contractors	(186,335)	(90,590)	(259,419)	(187,362)	(723,706)
Payments of employee salaries and benefits	(196,136)		(403,706)	(80,306)	(680,148)
Receipts for interfund service provided			71,333		71,333
Payments for interfund service provided	(90,748)	(9,469)		(124,067)	(224,284)
Net Cash Provided By (Used For) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash Flows From Noncapital Financing Activities:					
Transfer out					
Intergovernmental subsidy					
Net Cash Provided By Noncapital Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Short Term Investments, Beginning of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Short Term Investments, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:					
Operating income (loss)	\$ 93,709	\$ 12,384	\$ (58,367)	\$ 293,988	\$ 341,714
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Changes in assets and liabilities:					
Inventory			(5,334)		(5,334)
Departmental and other receivables	2,281		2,057	(1,055)	3,283
Intefund receivables/payables	(90,748)	(9,469)	71,333	(124,067)	(152,951)
Other assets					
Accounts payable	(9,230)	(2,915)	(14,445)	19,270	(7,320)
Accrued liabilities	2,289		1,884	(188,136)	(184,163)
Compensated absences	1,699		3,072		4,771
Net Cash Provided By (Used For) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Internal Service Funds**Schedule of Revenues and Expenses - Budget and Actual****For the Year Ended June 30, 2010**

	Dover Net Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 219,391	\$ 192,574	\$ (26,817)
Other revenue	250,500	278,364	27,864
Total Operating Revenues	<u>469,891</u>	<u>470,938</u>	<u>1,047</u>
Operating Expenses:			
Personnel services	277,673	198,982	78,691
Purchased services	176,214	91,692	84,522
Supplies and materials	6,650	4,264	2,386
Minor equipment	358,188	58,017	300,171
Other	900	665	235
Total Operating Expenses	<u>819,625</u>	<u>353,620</u>	<u>466,005</u>
Operating Income (Loss)	(349,734)	117,318	467,052
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) before Transfers	<u>(349,734)</u>	<u>117,318</u>	<u>467,052</u>
Other Financing Sources and Uses			
Use of retained earnings	76,240		(76,240)
Transfers out		(39,627)	(39,627)
Total Other Financing Sources and Uses	<u>76,240</u>	<u>(39,627)</u>	<u>(115,867)</u>
Net Income (Loss)	<u>\$ (273,494)</u>	<u>\$ 77,691</u>	<u>\$ 351,185</u>

	Central Stores Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 106,935	\$ 100,059	\$ (6,876)
Other revenue			
Total Operating Revenues	<u>106,935</u>	<u>100,059</u>	<u>(6,876)</u>
Operating Expenses:			
Personnel services			
Purchased services	68,885	49,941	18,944
Supplies and materials	38,050	38,531	(481)
Minor equipment			
Other			
Total Operating Expenses	<u>106,935</u>	<u>88,472</u>	<u>18,463</u>
Operating Income (Loss)		11,587	11,587
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) before Transfers		<u>11,587</u>	<u>11,587</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$ -</u>	<u>\$ 11,587</u>	<u>\$ 11,587</u>

	Fleet Maintenance Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 541,682	\$ 568,939	\$ 27,257
Other revenue	20,049	20,795	746
Total Operating Revenues	<u>561,731</u>	<u>589,734</u>	<u>28,003</u>
Operating Expenses:			
Personnel services	400,687	408,462	(7,775)
Purchased services	5,599	5,756	(157)
Supplies and materials	18,770	13,562	5,208
Minor equipment	20,049	18,825	1,224
Other	165,240	201,496	(36,256)
Total Operating Expenses	<u>610,345</u>	<u>648,101</u>	<u>(37,756)</u>
Operating Income (Loss)	(48,614)	(58,367)	(9,753)
Non-Operating Income (Expenses)			
Intergovernmental	<u> </u>	<u> </u>	<u> </u>
Net Income (Loss) before Transfers	<u>(48,614)</u>	<u>(58,367)</u>	<u>(9,753)</u>
Other Financing Sources and Uses			
Use of retained earnings	<u>48,614</u>	<u> </u>	<u>(48,614)</u>
Transfers out	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources and Uses	<u> </u>	<u> </u>	<u> </u>
Net Income (Loss)	\$ <u> -</u>	\$ <u>(58,367)</u>	\$ <u>(58,367)</u>

	Workers Compensation Fund		
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 390,545	\$ 391,388	\$ 843
Other revenue		1,402	1,402
Total Operating Revenues	<u>390,545</u>	<u>392,790</u>	<u>2,245</u>
Operating Expenses:			
Personnel services	145,870	(107,829)	253,699
Purchased services	220,305	187,349	32,956
Supplies and materials			
Minor equipment			
Other	37,562	19,283	18,279
Total Operating Expenses	<u>403,737</u>	<u>98,803</u>	<u>304,934</u>
Operating Income (Loss)	(13,192)	293,987	307,179
Non-Operating Income (Expenses)			
Intergovernmental			
Net Income (Loss) before Transfers		<u>293,987</u>	<u>307,179</u>
Other Financing Sources and Uses			
Use of retained earnings			
Transfers out			
Total Other Financing Sources and Uses			
Net Income (Loss)	<u>\$ (13,192)</u>	<u>\$ 293,987</u>	<u>\$ 307,179</u>

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- **Performance Bonds** – To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the request.
- **Chamber of Commerce** – To account for funds received from Chamber of Commerce for its Riverwalk Project.
- **Department Agency** – To account for funds received from other organizations for activities administered by various City departments.
- **School Agency** – To account for funds received from other organizations for activities administered by the Dover School Department.

Private Purpose Funds:

- **Cemetery** – To account for private donations left in trust to maintain graves and provide flowers.
- **Parks and Recreation** – To account for private donations left in trust to assist individuals attending various recreational programs.
- **Welfare** – To account for private donations left in trust for the benefit of low or moderate income individuals.
- **School** – To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2010

	Performance Deposits	Chamber of Commerce	Department Agency	School Agency	Total
ASSETS					
Cash and short-term investments				\$ 254,042	\$ 254,042
Due from other funds	\$ 769,807	\$ 3,083	\$ 37,150	9,229	819,269
Total Assets	<u>\$ 769,807</u>	<u>\$ 3,083</u>	<u>\$ 37,150</u>	<u>\$ 263,271</u>	<u>\$ 1,073,311</u>
LIABILITIES					
Other liabilities	\$ 769,807	\$ 3,083	\$ 37,150	\$ 263,271	\$ 1,073,311
Total Liabilities	<u>\$ 769,807</u>	<u>\$ 3,083</u>	<u>\$ 37,150</u>	<u>\$ 263,271</u>	<u>\$ 1,073,311</u>

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
Performance Deposits				
Assets - due from other funds	\$ <u>828,367</u>	\$ <u>359,370</u>	\$ <u>(417,930)</u>	\$ <u>769,807</u>
Liabilities - other liabilities	\$ <u>828,367</u>	\$ <u>400,155</u>	\$ <u>(458,715)</u>	\$ <u>769,807</u>
Chamber of Commerce				
Assets - due from other funds	\$ <u>3,083</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,083</u>
Liabilities - other liabilities	\$ <u>3,083</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,083</u>
Department Agency				
Assets - due from other funds	\$ <u>36,680</u>	\$ <u>27,250</u>	\$ <u>(26,780)</u>	\$ <u>37,150</u>
Liabilities - other liabilities	\$ <u>36,680</u>	\$ <u>33,911</u>	\$ <u>(33,441)</u>	\$ <u>37,150</u>
School Agency				
Assets - cash	\$ 302,115	\$ 227,887	\$ (275,960)	\$ 254,042
Assets - due from other funds	60,580	33,934	(85,285)	9,229
Total Assets	\$ <u>362,695</u>	\$ <u>261,821</u>	\$ <u>(361,245)</u>	\$ <u>263,271</u>
Liabilities - other liabilities	\$ <u>362,695</u>	\$ <u>237,069</u>	\$ <u>(336,493)</u>	\$ <u>263,271</u>
Totals				
Assets - cash	\$ 302,115	\$ 227,887	\$ (275,960)	\$ 254,042
Assets - due from other funds	928,710	420,554	(529,995)	819,269
Total Assets	\$ <u>1,230,825</u>	\$ <u>648,441</u>	\$ <u>(805,955)</u>	\$ <u>1,073,311</u>
Liabilities - other liabilities	\$ <u>1,230,825</u>	\$ <u>671,135</u>	\$ <u>(828,649)</u>	\$ <u>1,073,311</u>

Private Purpose Trust Funds**Combining Statement of Fiduciary Net Assets**

June 30, 2010

	Cemetery	Parks and Recreation	Welfare	School	Total
ASSETS					
Due from other funds	\$ 167,638	\$ 42,434	\$ 107,151	\$ 395,612	\$ 712,835
Total Assets	167,638	42,434	107,151	395,612	712,835
LIABILITIES AND NET ASSETS					
Accounts payable					
Total Liabilities					
NET ASSETS					
Total Net Assets Held in Trust	\$ 167,638	\$ 42,434	\$ 107,151	\$ 395,612	\$ 712,835

Private Purpose Trust Funds**Combining Statement of Changes in Fiduciary Net Assets****For Fiscal Year Ended June 30, 2010**

	Cemetery	Parks and Recreation	Welfare	School	Total
Additions:					
Contributions	\$		\$	\$ 23,840	\$ 23,840
Investment income	(9,890)	(2,626)	(9,248)	(30,738)	(52,502)
Total Additions	(9,890)	(2,626)	(9,248)	(6,898)	(28,662)
Deductions:					
Disbursements by agent	599		2,747	8,378	11,724
Total Deductions	599		2,747	8,378	11,724
Net Increase	(10,489)	(2,626)	(11,995)	(15,276)	(40,386)
Net Assets:					
Beginning of Year	178,127	45,060	119,146	410,888	753,221
End of Year	\$ 167,638	\$ 42,434	\$ 107,151	\$ 395,612	\$ 712,835

STATISTICAL SECTION

City of Dover, New Hampshire

Statistical Section

The City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	131-139
Revenue Capacity	
These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.	140-145
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	146-148
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	149-150
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	151-156

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Dover, New Hampshire

Net Assets by Component

Last Ten Fiscal Years (2)

(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested in capital assets, net of related debt (1)	\$ 47,842,554	\$ 50,841,722	\$ 53,992,080	\$ 56,387,047	\$ 57,412,322	\$60,502,720	\$ 76,018,355	\$ 80,024,915
Restricted	449,317	457,560	135,140	135,519	220,907	706,657	239,781	357,330
Unrestricted	(3,376,708)	(4,956,172)	(5,048,192)	334,752	2,143,471	1,555,309	(4,425,923)	(4,296,357)
Total governmental activities net assets	\$ 44,915,163	\$ 46,353,110	\$ 49,079,028	\$ 56,857,318	\$ 59,776,700	\$ 62,764,686	\$ 71,832,213	\$ 76,085,888
Business-type activities								
Invested in capital assets, net of related debt	\$ 50,262,498	\$ 49,960,529	\$ 49,129,986	\$ 49,120,227	\$ 49,735,238	\$ 51,471,577	\$ 46,561,358	\$ 48,633,637
Restricted	908,920	1,548,748	2,961,035	2,628,641	3,619,664	5,630,120	6,388,298	6,692,028
Unrestricted	3,890,445	3,777,256	3,499,041	3,591,882	1,527,399	(2,037,985)	5,702,564	2,367,829
Total business-type activities net assets	\$ 55,061,863	\$ 55,286,533	\$ 55,590,062	\$ 55,340,750	\$ 54,882,301	\$ 55,063,712	\$ 58,652,220	\$ 57,693,494
Primary government								
Invested in capital assets, net of related debt	\$ 98,105,052	\$ 100,802,251	\$ 103,122,066	\$ 105,507,274	\$ 107,147,560	\$ 111,974,297	\$ 122,579,713	\$ 128,658,552
Restricted	1,358,237	2,016,306	3,096,175	2,764,160	3,840,571	6,338,777	6,628,079	7,049,358
Unrestricted	513,737	(1,178,916)	(1,549,151)	3,926,634	3,670,870	(482,676)	1,276,641	(1,928,528)
Total primary government net assets	\$ 99,977,026	\$ 101,639,643	\$ 104,669,090	\$ 112,198,068	\$ 114,659,001	\$ 117,828,398	\$ 130,484,433	\$ 133,779,382

Notes:

(1) Net assets invested in capital assets, net of related debt were restated for FY03 and FY04.

(2) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Dover, New Hampshire

Changes in Net Assets

Last Ten Fiscal Years (1)
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 3,745,857	\$ 3,809,832	\$ 4,833,784	\$ 3,670,881	\$ 3,834,147	\$ 4,926,090	\$ 3,177,368	\$ 3,483,389
Public safety	9,713,495	10,857,493	10,284,804	12,865,806	13,974,469	14,090,578	16,154,098	17,405,207
Public works	7,995,930	8,739,392	6,972,709	9,128,400	8,380,719	8,289,627	10,621,805	11,922,320
Culture and recreation	2,985,494	2,911,587	2,349,885	2,882,727	3,655,755	3,468,304	3,869,804	3,498,166
Education	36,502,911	37,408,903	37,715,317	41,198,155	42,505,294	45,032,173	45,929,848	45,268,003
Human services	830,133	1,481,383	1,156,326	1,310,008	1,445,035	1,099,641	740,125	861,808
Intergovernmental	3,895,246	4,639,183	4,336,892	5,454,815	5,750,204	5,822,221	6,772,323	7,030,640
Interest	1,482,822	1,846,783	1,815,709	2,108,107	2,813,594	3,096,791	3,131,043	3,287,626
Miscellaneous	318,758	-	-	-	-	-	-	-
Total governmental activities expenses	87,080,546	89,294,516	89,465,226	78,818,899	82,359,217	85,927,425	90,198,214	92,756,959
Business-type activities:								
Water services	2,326,346	2,521,875	2,779,842	2,977,351	3,304,778	3,430,042	3,362,625	3,745,551
Sewer services	4,327,587	4,586,230	4,647,438	4,997,619	5,043,685	5,017,000	5,472,368	5,426,802
Arena services	1,151,200	1,262,538	1,314,389	1,418,234	1,481,949	1,427,762	39,516	-
DBIDA services	7,098	7,894	5,879	81,943	144,500	138,441	177,886	268,878
Total business-type activities expenses	7,812,211	8,358,537	8,747,548	9,475,147	9,974,892	10,013,245	9,052,393	9,471,231
Total primary government expenses	\$ 74,892,857	\$ 77,653,053	\$ 78,212,774	\$ 88,094,046	\$ 92,334,109	\$ 95,940,670	\$ 99,248,607	\$ 102,228,190
Program Revenues								
Governmental activities:								
Charges for services								
General government	\$ 1,484,034	\$ 871,799	\$ 1,312,097	\$ 1,809,618	\$ 1,310,619	\$ 1,149,111	\$ 918,590	\$ 2,085,157
Public safety	1,235,206	806,821	437,825	803,642	1,275,129	1,336,480	1,784,857	1,872,986
Public works	968,876	1,280,514	2,810,817	1,307,824	1,544,584	2,936,784	1,253,462	1,231,521
Culture and recreation	403,988	718,942	601,361	591,904	659,630	650,656	1,242,867	1,483,061
Education	9,004,003	12,951,805	13,493,145	13,930,851	14,030,649	14,070,236	14,829,886	17,167,991
Human services	6,230	11,749	196,845	138,057	55,192	180,465	82,000	81,955
Miscellaneous	54,573	-	-	-	-	-	-	-
Total charges for services	13,056,890	16,621,630	18,851,890	17,879,896	18,875,803	20,323,732	20,219,448	13,902,671
Operating grants and contributions	9,119,737	8,724,481	6,284,743	6,061,067	7,100,398	6,582,484	9,279,478	18,091,830
Capital grants and contributions	1,691,918	1,789,318	919,502	1,213,101	970,772	1,028,815	2,993,835	904,887
Total governmental activities program revenues	23,868,543	25,114,429	26,056,135	25,154,064	26,946,971	27,933,031	32,492,561	32,899,388
Business-type activities:								
Charges for services								
Water services	3,158,780	3,027,514	3,197,227	3,408,598	3,379,209	4,011,562	3,986,112	3,961,121
Sewer services	4,196,982	3,928,891	4,019,804	3,934,959	3,767,878	4,129,003	4,080,736	4,095,345
Arena services	783,190	1,062,558	1,202,974	1,264,746	1,461,474	1,568,828	-	-
DBIDA services	-	-	250	44,701	268,973	138,353	129,235	175,787
Total charges for services	8,138,952	8,018,961	8,420,255	8,650,904	8,877,534	9,847,746	8,176,083	8,232,253
Operating grants and contributions	-	-	-	-	-	-	-	-
Capital grants and contributions	512,554	474,062	612,576	536,839	552,375	240,877	424,092	134,611
Total business-type activities program revenues	8,651,506	8,493,023	9,032,831	9,187,743	9,429,909	10,088,623	8,600,175	8,366,864
Total primary government program revenues	\$ 32,517,049	\$ 33,607,452	\$ 35,088,966	\$ 34,343,807	\$ 36,376,880	\$ 38,021,654	\$ 41,092,736	\$ 41,266,252
Net (Expenses)/Revenue								
Governmental activities	\$ (43,215,103)	\$ (44,180,087)	\$ (43,409,091)	\$ (53,464,835)	\$ (55,412,246)	\$ (57,994,394)	\$ (57,703,653)	\$ (59,857,571)
Business-type activities	839,295	134,486	285,283	(265,404)	(544,983)	75,378	(452,218)	(1,104,387)
Total Primary government net expense	\$ (42,375,808)	\$ (44,045,601)	\$ (43,123,808)	\$ (53,750,239)	\$ (55,957,229)	\$ (57,919,016)	\$ (58,155,871)	\$ (60,961,938)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes	\$ 38,968,964	\$ 41,202,971	\$ 44,469,792	\$ 48,606,220	\$ 52,129,249	\$ 55,835,213	\$ 58,489,588	\$ 60,266,022
Motor vehicle registration tax	3,719,694	3,844,146	3,923,934	3,968,620	3,927,069	3,803,303	3,692,119	3,567,586
Penalties, interest and other taxes	198,283	218,578	8,419	4,391	16,009	25,037	8,354	307,005
Unrestricted investment income/(loss)	244,495	334,854	433,788	1,008,421	1,811,978	1,110,037	16,804	(108,998)
Other revenue	223,362	100,180	123,533	232,575	447,325	208,790	494,196	207,849
Loss on sale of capital assets	-	-	(40,109)	-	-	-	-	-
Extraordinary item	-	-	(2,793,947)	8,395,984	-	-	-	-
Transfers, net	14,524	(82,875)	9,599	26,904	-	-	(1,227,259)	(130,000)
Total governmental activities	43,368,342	45,618,034	48,135,009	61,243,125	58,331,628	60,962,380	61,473,902	64,109,484
Business-type activities:								
Investment income	11,042	7,509	27,845	52,496	86,533	106,033	40,213	15,841
Other Revenue	-	-	-	10,500	-	-	-	-
Transfers, net	(14,524)	82,875	(9,599)	(26,904)	-	-	1,227,259	130,000
Total business-type activities	(3,482)	90,184	18,246	36,092	86,533	106,033	1,267,472	145,841
Total primary government	\$ 43,364,860	\$ 45,708,218	\$ 48,153,255	\$ 61,279,217	\$ 58,418,161	\$ 61,068,413	\$ 62,741,274	\$ 64,255,325
Change in Net Assets								
Governmental activities	\$ 153,239	\$ 1,437,947	\$ 2,725,918	\$ 7,778,290	\$ 2,919,382	\$ 2,987,988	\$ 3,770,149	\$ 4,251,893
Business-type activities	835,813	224,870	303,529	(249,312)	(458,450)	181,411	815,254	(958,728)
Total primary government	\$ 989,052	\$ 1,662,817	\$ 3,029,447	\$ 7,528,978	\$ 2,460,932	\$ 3,169,397	\$ 4,585,403	\$ 3,293,167

(1) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved for encumbrances	\$ 469,814	\$ 703,744	\$ 790,753	\$ 398,376	\$ 563,764	\$ 817,682	\$ 808,589	\$ 643,717	\$ 856,381	\$ 684,702
Reserved for advances (1)	308,500	944,236	1,381,880	1,674,304	1,897,034	2,153,630	2,287,210	2,733,032	840,141	732,278
Reserved for capital outlay (2)	296,559	259,577	85,693	148,750	127,500	106,250	823,543	507,570	769,991	1,079,386
Reserved for debt service	212,500	191,250	170,000	110,000	110,000	68,508	106,250	63,750	42,500	21,250
Reserved for other	-	-	-	-	-	-	-	-	-	-
Total Reserved	1,278,373	2,098,807	2,428,326	2,331,430	2,698,298	3,146,070	4,025,592	3,948,069	2,309,013	2,517,616
Unreserved	4,408,451	3,605,676	3,709,521	3,593,044	3,867,587	4,796,633	5,069,952	5,584,935	5,114,311	5,477,269
Total General Fund	\$ 5,686,824	\$ 5,704,483	\$ 6,137,847	\$ 5,924,474	\$ 6,565,885	\$ 7,942,703	\$ 9,094,544	\$ 9,533,004	\$ 7,423,324	\$ 7,994,885
All Other Governmental funds										
Reserved for encumbrances	\$ 3,495,464	\$ 4,061,377	\$ 2,219,715	\$ 3,138,359	\$ 2,851,074	\$ 7,210,141	\$ 11,007,178	\$ 8,134,795	\$ 5,791,298	\$ 5,639,405
Reserved for capital outlay	-	-	-	-	-	20,000	-	-	-	-
Reserved for other	27,682	28,938	23,424	29,963	39,161	39,176	48,336	46,333	122,853	53,745
Total Reserved	\$ 3,523,146	\$ 4,090,315	\$ 2,243,139	\$ 3,168,322	\$ 2,890,235	\$ 7,269,317	\$ 11,055,514	\$ 8,181,128	\$ 5,914,151	\$ 5,693,150
Unreserved	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	1,056,594	1,337,663	3,669,786	4,283,723	3,228,880	4,137,741	4,839,885	5,344,127	4,727,590	6,042,323
Capital Project Funds	5,736,649	(612,808)	4,081,977	4,465,278	9,880,180	11,105,112	10,272,747	2,070,246	6,315,773	6,781,362
Total All Other Governmental funds	\$ 10,316,389	\$ 4,815,170	\$ 9,994,902	\$ 11,917,323	\$ 15,999,295	\$ 22,512,170	\$ 26,168,146	\$ 15,595,501	\$ 16,957,514	\$ 18,516,835

Data Source:

Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

Notes:

- (1) This reserve is for the cash advance to the Arena Fund. In Fiscal Year 2008 the reserve includes a cash advance to the McConnell Center Fund. In Fiscal Year 2009 the reserve is for a cash advance to the McConnell Center Fund. In Fiscal Year 2009 the Arena Fund was dissolved into the General Fund.
- (2) Appropriations for capital assets financed through the General Fund have a 3 year life or until the purpose is met.

City of Dover, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$32,105,887	\$35,759,199	\$39,127,067	\$41,635,187	\$44,425,858	\$49,273,703	\$51,923,895	\$55,528,287	\$58,276,107	\$60,176,461
Licenses and permits	3,686,246	3,944,619	4,096,208	4,254,976	4,379,423	4,746,999	4,704,073	4,458,346	4,347,705	4,230,271
Intergovernmental	5,235,678	5,971,855	7,028,720	8,277,017	6,779,512	6,748,901	7,577,132	6,914,873	10,778,255	11,704,972
Current service charges	2,799,133	2,875,191	3,986,260	3,682,668	6,696,041	5,552,867	5,699,435	7,272,458	7,092,059	6,880,432
Education	9,333,811	11,003,650	11,740,906	11,666,453	11,589,151	11,513,198	11,944,785	11,954,934	12,700,692	13,637,769
Miscellaneous revenue	1,734,335	1,302,185	1,060,772	1,427,204	1,597,921	2,185,844	3,221,740	2,456,173	2,238,920	651,276
Total revenues	54,895,090	60,856,699	67,039,934	70,943,506	75,467,906	80,021,512	85,071,040	88,585,071	95,433,738	97,281,181
Expenditures										
General government	\$ 2,957,861	\$ 3,049,278	\$ 3,362,579	\$ 3,682,989	\$ 4,510,703	\$ 4,403,947	\$ 3,768,761	\$ 4,667,786	\$ 3,960,116	\$ 4,254,050
Public safety	8,516,843	9,016,550	9,669,513	10,453,530	11,220,754	12,244,120	12,527,349	12,315,515	13,577,204	14,529,070
Public works	4,264,705	4,158,668	5,278,346	4,774,012	5,488,069	5,396,712	6,620,093	5,396,667	6,035,950	8,677,677
Culture and recreation	1,891,421	1,969,556	2,026,355	2,232,117	2,207,717	2,596,284	3,164,802	2,724,950	3,875,491	3,713,823
Education	27,151,429	31,382,245	34,643,006	36,706,948	37,366,752	39,929,897	40,788,339	42,991,635	44,180,449	44,017,518
Human services	1,617,411	1,141,594	1,181,469	1,475,210	1,171,342	1,271,139	1,422,465	1,067,523	1,129,423	1,205,134
Intergovernmental	2,855,108	3,666,619	3,695,246	4,639,163	4,336,892	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640
Capital outlay (1)	8,894,073	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	17,072,862	14,066,205	13,032,244	11,501,504
Debt service										
Principal	3,291,991	4,006,958	3,998,487	4,214,821	4,220,335	4,486,607	4,740,087	6,215,838	6,645,849	6,624,599
Interest	1,159,145	1,700,213	1,524,218	1,644,937	1,799,495	2,054,291	2,688,222	3,350,916	3,148,136	3,307,087
Total expenditures	62,599,987	67,688,452	72,850,509	75,216,782	79,274,123	88,586,723	98,523,184	98,719,256	102,337,185	104,861,102
Excess of revenues										
Over/(under) expenditures	(7,704,897)	(6,831,753)	(5,810,575)	(4,273,276)	(3,806,217)	(8,565,211)	(13,452,144)	(10,134,185)	(6,903,447)	(7,579,921)
Other Financing Sources (Uses)										
Bond Issuance	\$13,586,400	\$ 1,229,000	\$ 9,159,000	\$ 6,065,000	\$ 8,520,000	\$16,428,000	\$18,196,000	-	\$ 8,545,000	\$ 9,839,000
Bond Premium	-	-	-	-	-	-	63,961	-	-	260,390
Refunding Bond Issuance	-	-	-	-	-	-	-	-	-	8,790,000
Payment to Refunding Escrow	-	-	-	-	-	-	-	-	-	(9,050,390)
Transfers in	577,740	531,781	944,509	1,040,165	1,148,898	1,161,973	1,183,029	1,093,416	1,498,009	1,178,796
Transfers out	(537,110)	(412,588)	(929,985)	(1,122,840)	(1,139,298)	(1,135,069)	(1,183,029)	(1,093,416)	(2,685,641)	(1,308,796)
Total governmental activities	13,627,030	1,348,193	9,173,524	5,982,325	8,529,600	16,454,904	18,259,961	-	7,357,368	9,709,000
Net Change in fund balances	\$ 5,922,133	\$ (5,483,560)	\$ 3,362,949	\$ 1,709,049	\$ 4,723,383	\$ 7,889,693	\$ 4,807,817	\$ (10,134,185)	\$ 453,921	\$ 2,129,079
Debt Service as a percentage of non-capital outlay expenditures	8.3%	9.5%	8.4%	8.4%	8.3%	8.4%	9.1%	11.3%	11.0%	10.6%

Data Source:
Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

Notes

- (1) Capital outlay expenditures are presented within other function categories on page 32.
- (2) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 32.

City of Dover, New Hampshire

Changes in Fund Balances, General Fund

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 31,853,179	\$ 35,585,882	\$ 38,649,599	\$ 41,525,541	\$ 44,054,361	\$ 48,791,940	\$ 51,416,226	\$ 55,152,120	\$ 58,047,052	\$ 59,716,911
Licenses and permits	3,686,246	3,944,619	4,096,208	4,254,976	4,378,403	4,745,864	4,702,403	4,456,916	4,159,499	4,033,637
Intergovernmental	1,675,881	1,766,065	1,914,757	1,910,836	2,069,959	2,140,515	2,799,048	2,761,290	3,762,458	2,959,288
Current service charges	1,054,940	1,030,036	1,124,299	1,118,191	1,586,678	1,486,611	1,293,887	1,220,717	2,702,644	2,811,409
Education	9,333,811	10,758,527	11,740,906	11,666,453	11,589,151	11,513,198	11,944,765	11,954,934	12,700,692	13,637,769
Miscellaneous revenue	1,093,938	680,805	478,202	485,359	779,348	1,227,807	2,001,869	1,888,508	702,508	351,686
Total revenues	48,697,995	53,765,934	58,003,971	60,961,357	64,457,900	69,905,935	74,158,198	77,434,485	82,074,853	83,510,900
Expenditures by Function										
General government	\$ 2,942,239	\$ 3,007,590	\$ 2,946,305	\$ 3,518,072	\$ 3,933,830	\$ 3,710,777	\$ 4,707,754	4,691,917	3,870,728	\$ 3,935,300
Public safety	7,364,837	7,762,936	8,500,958	9,249,045	9,975,122	10,907,760	11,303,843	11,396,359	12,444,070	12,548,669
Public works	3,572,785	3,538,122	4,451,367	3,931,571	4,594,796	4,316,164	4,626,565	4,685,096	4,846,815	4,897,654
Culture and recreation	1,863,347	1,926,516	1,973,218	2,087,301	2,123,434	2,202,084	2,284,641	2,301,415	3,256,539	3,131,978
Education	24,203,905	27,208,695	29,199,879	30,486,749	31,380,847	33,848,664	35,528,132	37,141,062	39,029,285	40,382,145
Human services	446,689	550,038	653,336	730,727	785,254	638,330	604,200	658,979	687,415	693,536
Intergovernmental	2,855,108	3,666,619	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204	5,922,221	6,772,323	7,030,640
Debt service										
Principal	3,291,991	4,006,958	3,998,487	4,214,821	4,220,335	4,486,607	4,700,087	6,010,838	6,425,849	6,404,599
Interest	1,159,145	1,700,213	1,524,218	1,644,937	1,799,495	2,045,847	2,445,863	3,146,722	2,964,280	3,121,893
Total expenditures	47,700,046	53,367,687	56,943,012	60,502,406	63,150,004	67,611,048	71,951,289	75,934,609	80,297,304	82,146,414
Excess of revenues										
Over/(under) expenditures	997,949	398,247	1,060,959	458,951	1,307,896	2,294,887	2,206,909	1,499,876	1,777,549	1,364,486
Other Financing Sources (Uses)										
Proceeds from borrowing										8,790,000
Bond Premium							63,961			260,390
Payment to Refunding Escrow										(9,050,390)
Transfers in	32,000	32,000	49,595	63,828	32,000	32,000	32,000	32,000	-	516,856
Transfers out	(439,751)	(412,588)	(677,190)	(736,152)	(698,485)	(950,069)	(1,151,029)	(1,093,416)	(2,685,641)	(1,308,796)
Total governmental activities	(407,751)	(380,588)	(627,595)	(672,324)	(666,485)	(918,069)	(1,055,068)	(1,061,416)	(2,685,641)	(792,940)
Net Change in fund balances	\$ 590,198	\$ 17,659	\$ 433,364	\$ (213,373)	\$ 641,411	\$ 1,376,818	\$ 1,151,841	\$ 438,460	\$ (908,092)	\$ 571,546

Data Source:

Audited Financial Statements

Notes

(1) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 32

City of Dover, New Hampshire

Changes In Fund Balances, Special Revenue Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 252,708	\$ 173,317	\$ 477,468	\$ 109,848	\$ 371,497	\$ 481,783	\$ 507,669	376,167	\$ 229,055	\$ 459,550
Licenses and permits	-	-	-	-	1,020	1,135	1,070	1,430	188,208	190,434
Intergovernmental	3,391,181	4,038,970	4,613,018	5,875,326	4,573,196	4,282,636	4,627,585	4,153,583	4,403,292	6,479,642
Current service charges	1,815,597	1,627,738	2,844,336	2,338,255	3,338,544	4,026,256	4,226,685	4,843,301	4,389,415	4,069,023
Education	-	245,123	-	-	-	-	-	-	-	-
Miscellaneous revenue	640,397	621,380	559,833	861,377	549,268	710,930	973,661	327,782	226,899	154,015
Total revenues	5,899,883	6,706,528	8,294,655	9,184,604	8,832,525	9,502,720	10,337,270	9,702,263	9,436,867	11,358,664
Expenditures										
General government	15,822	41,688	416,274	164,917	576,873	693,170	1,029,501	609,614	91,089	378,836
Public safety	1,152,006	1,253,614	1,168,557	1,204,485	1,245,632	1,336,360	1,411,641	1,403,243	2,027,429	1,859,906
Public works	691,920	620,546	826,979	842,441	893,273	1,080,548	1,109,091	1,052,042	1,014,447	1,098,536
Culture and recreation	28,074	43,040	53,137	144,816	84,283	394,200	400,112	519,747	740,989	761,471
Education	2,947,524	4,173,550	5,443,127	6,220,199	5,985,905	6,081,233	5,917,742	5,855,883	6,046,817	6,922,299
Human services	1,170,722	591,556	528,133	744,483	386,088	632,809	818,265	408,544	442,008	511,598
Debt service	-	-	-	-	-	-	40,000	205,000	220,000	220,000
Principal	-	-	-	-	-	-	40,000	205,000	220,000	220,000
Interest	-	-	-	-	-	8,444	206,359	204,194	183,856	185,194
Total expenditures	6,005,868	6,723,994	8,438,207	9,321,341	9,172,054	10,226,764	10,932,711	10,258,267	10,766,835	11,937,840
Excess of revenues										
Over(under) expenditures	(105,985)	(17,466)	(141,552)	(136,737)	(339,529)	(724,044)	(595,441)	(556,004)	(1,329,768)	(579,176)
Other Financing Sources (Uses)										
Transfers in	315,751	372,685	671,648	878,337	733,299	943,713	1,207,020	1,061,416	1,398,009	1,107,940
Transfers out	(97,359)	-	(252,795)	(86,688)	(440,813)	(185,000)	(87,991)	-	(477,588)	(45,000)
Total governmental activities	218,392	372,685	418,853	589,649	292,486	758,713	1,119,029	1,061,416	920,421	1,062,940
Net Change in fund balances	\$ 112,407	\$ 355,219	\$ 277,301	\$ 452,912	\$ (47,043)	\$ 34,669	\$ 523,588	\$ 505,412	\$ (409,347)	\$ 483,784

Data Source

Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

City of Dover, New Hampshire

Changes in Fund Balances, Capital Project Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Intergovernmental	\$ 168,616	\$ 166,820	\$ 500,945	\$ 490,855	\$ 136,357	\$ 325,750	\$ 150,499	\$ -	\$ 2,612,505	\$ 2,266,042
Current service charges	128,596	217,417	217,625	226,222	1,770,819	40,000	178,863	1,208,440	-	-
Education	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	22,737	80,468	270,305	247,107	246,210	239,883	1,309,513	145,575
Total revenues	297,212	384,237	741,307	797,545	2,177,481	612,857	575,572	1,448,323	3,922,018	2,411,617
Expenditures										
Capital outlay	8,894,073	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	15,639,184	12,526,380	11,273,246	10,776,848
Total expenditures	8,894,073	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	15,639,184	12,526,380	11,273,246	10,776,848
Excess of revenues										
Over(under) expenditures	(8,596,861)	(7,212,534)	(6,729,983)	(4,595,490)	(4,774,584)	(10,136,054)	(15,063,612)	(11,078,057)	(7,351,228)	(8,365,231)
Other Financing Sources (Uses)										
Proceeds from borrowing	13,586,400	1,229,000	9,159,000	6,065,000	8,520,000	16,428,000	18,198,000	-	8,545,000	9,839,000
Transfers in	229,989	127,098	223,266	300,000	383,599	186,260	-	-	577,588	-
Transfers out	-	-	-	(300,000)	-	-	-	-	-	(400,000)
Total governmental activities	13,816,389	1,356,098	9,382,266	6,065,000	8,903,599	16,614,260	18,198,000	-	9,122,588	9,439,000
Net Change in fund balances	\$ 5,219,528	\$ (5,856,438)	\$ 2,652,283	\$ 1,468,510	\$ 4,129,015	\$ 6,478,206	\$ 3,132,388	\$ (11,078,057)	\$ 1,771,360	\$ 1,073,769

Data Source:
Audited Financial Statements

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2010	\$ -	\$ 7,691,639	\$ 515,069	\$ -	\$ 8,206,708	\$ 5,368,058	\$ 2,869,111	\$ 937,184	\$ -	\$ 9,172,353	\$ (965,645)	\$ 56,493,793
2009	-	7,729,875	781,269	-	8,511,144	5,113,860	2,708,927	1,012,204	1,607	8,836,598	(325,454)	57,459,438
2008	-	7,858,489	627,483	-	8,485,972	4,718,312	2,537,288	1,091,442	-	8,447,042	38,930	57,784,892 (3)
2007	552,375	6,863,012	369,070	-	7,784,457	4,685,872	2,512,805	1,149,966	-	8,348,443	(563,986)	54,972,706
2006	519,346	7,065,852	327,782	-	7,912,980	4,558,650	2,422,858	993,462	26,904	8,001,874	(88,894)	55,536,691
2005	612,576	6,860,875	363,769	-	7,857,220	4,407,360	2,302,636	717,284	9,599	7,436,879	420,341	55,625,585
2004	474,062	6,383,456	580,370	82,675	7,520,563	3,952,020	2,139,939	996,146	-	7,088,105	432,458	55,205,244 (1)
2003	512,554	6,957,737	409,068	-	7,879,359	3,560,102	2,087,337	1,006,474	14,524	6,668,438	1,210,921	54,772,785 (2)
2002	565,334	5,130,038	136,903	735,000	6,567,275	3,285,298	2,264,227	1,136,101	592,245	7,277,871	(710,596)	53,561,864
2001	679,857	5,498,937	217,157	967,000	7,262,951	3,294,038	2,214,503	908,358	340,000	6,756,899	506,052	44,828,544

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2010	\$ -	\$ 3,820,888	\$ 148,106	\$ -	\$ 3,968,994	\$ 2,397,882	\$ 903,461	\$ 444,208	\$ -	\$ 3,745,551	\$ 223,443	\$ 18,882,344
2009	-	3,876,794	129,488	-	4,006,282	2,310,328	575,562	476,735	-	3,362,625	643,657	18,658,901
2008	-	3,864,482	199,090	-	4,063,572	2,263,253	644,602	522,187	-	3,430,042	633,530	18,015,246 (3)
2007	-	3,241,820	182,180	-	3,424,000	2,219,625	637,400	447,753	-	3,304,778	119,222	16,110,202
2006	-	3,298,940	133,045	-	3,429,985	2,032,099	646,178	299,074	500	2,977,851	452,134	15,990,979
2005	15,000	3,058,682	150,305	-	3,221,987	1,990,737	602,372	186,733	6,500	2,786,342	435,645	15,538,845
2004	-	2,789,034	240,517	82,675	3,112,226	1,762,176	526,183	233,516	-	2,521,875	590,351	15,103,200
2003	-	3,040,583	121,338	-	3,161,921	1,611,453	501,377	213,516	-	2,326,346	835,575	14,512,849 (1)
2002	-	2,217,796	47,485	400,000	2,665,281	1,513,683	465,709	259,524	292,245	2,531,161	134,120	13,677,274 (2)
2001	-	2,287,727	19,100	142,000	2,448,827	1,377,318	438,642	118,840	40,000	1,974,800	474,027	8,375,032

Sewer Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease) Total Net Assets	Total Net Assets
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total		
2010	\$ -	\$ 3,870,751	\$ 366,963	\$ -	\$ 4,237,714	\$ 2,968,176	\$ 1,965,650	\$ 492,976	\$ -	\$ 5,426,802	\$ (1,189,088)	\$ 37,611,449
2009	-	3,853,081	651,781	-	4,504,862	2,803,532	2,133,365	535,469	1,607	5,473,973	(969,111)	38,800,537
2008	-	3,994,007	428,393	-	4,422,400	2,455,059	1,992,686	569,255	-	5,017,000	(594,600)	39,769,846 (3)
2007	552,375	3,621,192	186,890	-	4,360,457	2,466,247	1,875,205	702,213	-	5,043,665	(683,208)	38,862,504
2006	519,346	3,768,912	194,737	-	4,482,995	2,526,551	1,776,680	694,388	26,404	5,024,023	(541,028)	39,545,712
2005	597,576	3,824,193	213,464	-	4,635,233	2,416,623	1,700,264	530,551	3,099	4,650,537	(15,304)	40,086,740
2004	474,062	3,594,422	339,853	-	4,408,337	2,189,844	1,613,756	762,630	-	4,566,230	(157,893)	40,102,044
2003	512,554	3,917,154	287,730	-	4,717,438	1,948,849	1,585,960	792,958	14,524	4,342,091	375,347	40,259,937 (1)
2002	565,334	2,912,242	89,418	335,000	3,901,994	1,771,815	1,798,518	878,577	300,000	4,748,710	(844,716)	39,884,590 (2)
2001	679,857	3,211,210	198,057	725,000	4,814,124	1,916,720	1,775,861	789,518	300,000	4,782,099	32,025	36,451,512

Data Source:
Audited Financial Reports

Notes:

- (1) Beginning in Fiscal Year 2003 includes Capital Reserve Funds which were previously considered Trust Funds.
- (2) Total Net Assets as restated for Fiscal Year ending June 30, 2002. Restatement resulting from adjustment of capital asset values and accumulated depreciation.
- (3) Total Net Assets as restated for Fiscal Year ending June 30, 2008. Restatement resulting from adjustment of capital asset values and accumulated depreciation for capital contributions.

City of Dover, New Hampshire

General Government Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Penalties	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Activity Tax (1)	Tax Interest & Penalties	Total
2010	\$ 59,336,642	\$ 459,550	\$ 17,366	\$ 1,560	\$ 54,384	\$ 3,600	\$ -	\$ 303,359	60,176,461
2009	57,638,349	229,055	16,177	1,096	78,157	5,484	-	307,789	58,276,107
2008	54,815,889	376,170	17,595	15,319	33,579	3,581	-	266,157	55,528,290
2007	51,082,581	507,669	19,957	14,130	62,765	6,513	-	230,280	51,923,895
2006	48,502,622	481,763	22,389	628	63,553	7,112	-	195,636	49,273,703
2005	43,776,292	363,102	24,174	1,456	57,145	9,863	-	193,827	44,425,858
2004	41,200,107	108,017	26,275	4,651	68,874	8,700	-	218,562	41,635,187
2003	38,345,800	475,838	22,759	4,945	71,298	10,143	-	196,283	39,127,067
2002	35,273,175	162,276	23,328	3,279	99,639	13,953	-	183,548	35,759,198
2001	31,494,896	250,246	20,745	765	90,005	10,459	35,085	203,687	32,105,886

Data Source:
Audited Internal Financial Statements

Notes:
(1) Activity tax was ruled unconstitutional by N.H. Supreme Court.

City of Dover, New Hampshire

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal year	Total Collections to Date		Number of Parcels		
		Amount	% of Levy				Amount	% of Levy	In Levy	Liened	% Liened
2010	\$ 59,722,532	\$ 58,637,028	94.8%	\$ 3,085,504	\$ -	\$ 3,085,504	\$ 58,637,028	94.8%	9,825	417	4.2%
2009	57,813,958	55,182,839	95.4%	2,631,117	1,955,463	675,654	57,138,302	98.8%	9,808	380	3.9%
2008	55,140,420	52,827,214	95.8%	2,313,206	2,113,360	199,846	54,940,574	99.6%	9,685	295	3.0%
2007	51,305,180	49,264,164	96.0%	2,041,016	2,011,895	29,121	51,276,059	99.9%	9,552	353	3.7%
2006	48,838,109	48,884,721	98.0%	1,973,388	1,962,172	11,216	48,826,893	100.0%	9,187	278	3.0%
2005	43,833,406	42,209,865	96.3%	1,623,541	1,623,541	-	43,833,406	100.0%	9,103	249	2.7%
2004	41,081,332	39,523,636	96.2%	1,557,696	1,557,696	-	41,081,332	100.0%	9,009	262	2.9%
2003	38,378,893	36,736,461	95.7%	1,642,433	1,642,433	-	38,378,893	100.0%	8,888	310	3.5%
2002	35,301,454	33,862,981	95.9%	1,438,473	1,438,473	-	35,301,454	100.0%	8,735	301	3.4%
2001	31,525,308	30,190,566	95.8%	1,334,742	1,334,742	-	31,525,308	100.0%	8,673	318	3.7%

Data Source:

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax dedeeds.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/ Industrial	Utilities						
2010	\$ 1,934,577,500	\$ 666,109,800	\$35,400,900	\$ 2,636,088,200	\$ 52,866,750	\$ 2,583,221,450	\$ 23.33	\$ 2,768,903,096	95.2%
2009	2,094,567,000	685,319,200	35,303,500	\$ 2,815,189,700	51,608,150	2,763,581,550	21.10	3,009,995,763	93.5%
2008	2,195,273,500	655,131,100	35,579,100	2,885,983,700	50,914,700	2,835,069,000	19.63	3,028,004,490	95.3%
2007	2,178,722,000	597,125,300	34,773,700	2,810,621,000	45,808,500	2,764,812,500	18.72	2,954,382,748	95.1%
2006	1,992,919,500	546,120,670	33,169,300	2,572,209,470	36,144,400	2,536,065,070	17.29	2,909,166,588	88.4%
2005	1,881,960,500	545,071,520	33,003,800	2,460,035,820	30,528,200	2,429,507,620	16.42	2,599,843,962	94.6%
2004	1,580,353,000	485,398,492	31,250,100	2,097,001,592	19,013,400	2,077,988,192	17.67	2,303,407,162	91.0%
2003	1,359,533,470	471,810,672	31,250,100	1,862,594,242	10,271,000	1,852,323,242	18.89	2,033,558,594	91.6%
2002	1,157,386,700	414,001,060	31,250,100	1,602,637,860	9,969,500	1,592,668,360	20.09	1,789,901,391	89.5%
2001	780,489,650	319,310,200	26,188,800	1,125,988,650	7,145,000	1,118,843,650	25.97	1,529,921,457	73.6%

Data Sources:

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	2010 Assessed Value	Rank	Percentage of Total Assessed Value	2001 Assessed Value	Rank	Percentage of Total Assessed Value
Liberty Mutual Insurance Co	Insurance	\$ 70,366,500	1	2.72 %	\$ 18,334,100	1	1.64 %
Public Service Co of NH	Utility	23,400,500	2	0.91	17,311,800	2	1.55
The New Meadows Inc	Apartments	16,698,500	3	0.65	7,725,930	5	0.69
171 Watson Rd of Dover Holding Corp.	Scholastic Testing	14,670,300	4	0.57	-	-	-
Holgate Limited Partnership	Comm/Res Rentals	13,913,600	5	0.54	-	-	-
NP Dover LLC (Current) Shaw's(Previously)	Supermarket	11,355,100	6	0.44	6,894,100	7	0.62
Northern Utilities Inc	Gas Utility	11,082,600	7	0.43	8,381,900	4	0.75
MSM Brothers, Inc.	Apartments	9,803,100	8	0.38	-	-	-
Sawyers Mills Assoc Inc	Apartments	9,607,000	9	0.37	4,823,900	9	0.43
Dover Mills Partnership	Developer	9,532,700	10	0.37	7,623,900	6	-
Goss (Current) Heidelberg (Previously)	Manufacturer	-	-	-	8,728,000	3	0.78
Langdon Place of Dover	Retirement Community	-	-	-	5,946,600	8	0.53
Hannaford Brothers	Supermarket	-	-	-	4,182,700	10	0.37
Total Principal Taxpayers		\$ 190,439,900		7.37 %	\$ 89,932,930		7.36 %
Total Net Assessed Taxable Value		\$ 2,583,221,450			\$ 1,118,843,650		

Data Source:
City of Dover Tax Warrant

City of Dover, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City Direct Rates							Overlapping Rate		Estimated Full Value Rate
	Budgetary Use of Fund			Local School (2)	State School (3)	Total School	Total Direct	County	Total	
	City	Balance (1)	Total City (2)							
2010	\$ 8.55	\$ -	\$ 8.55	\$ 9.54	\$ 2.52	\$ 12.06	\$ 20.61	\$ 2.72	\$ 23.33	\$ 21.70
2009	7.57	-	7.57	8.79	2.31	11.10	18.67	2.43	21.10	19.33
2008	7.23	-	7.23	8.02	2.31	10.33	17.56	2.07	19.63	18.33
2007	6.87	(0.15)	6.72	7.56	2.38	9.94	16.66	2.06	18.72	17.47
2006	7.04	-	7.04	7.66	2.59	10.25	17.29	2.13	19.42	16.88
2005	6.91	-	6.91	6.71	2.80	9.51	16.42	1.76	18.18	16.93
2004	7.48	(0.05)	7.43	5.87	4.37	10.24	17.67	2.21	19.88	17.85
2003	8.03	(0.13)	7.90	6.08	4.91	10.99	18.89	1.97	20.86	18.90
2002	8.80	(0.67)	8.13	6.31	5.65	11.96	20.09	2.27	22.36	19.75
2001	11.28	(0.94)	10.34	8.41	7.22	15.63	25.97	2.51	28.48	20.25

Data Source:
NH State Department of Revenue Administration

Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates (1)		Billable Volume Used for Setting Rates (2)		Rates per HCF (4)		
	Water	Sewer	Water	Sewer (3)	Water	Sewer	Combined
2010	\$ 3,847,648	\$ 4,426,221	1,019,000	933,000	\$ 3.78	\$ 4.74	\$ 8.52
2009	3,817,555	4,182,454	1,019,000	927,000	3.75	4.51	8.26
2008	3,597,404	4,069,946	1,019,000	927,000	3.53	4.39	7.92
2007	3,179,280	4,023,180	1,019,000	927,000	3.12	4.34	7.46
2006	3,016,240	3,828,510	1,019,000	927,000	2.96	4.13	7.09
2005	2,730,920	3,717,270	1,019,000	927,000	2.68	4.01	6.69
2004	2,422,840	3,605,880	1,018,000	906,000	2.38	3.98	6.36
2003	2,202,550	3,357,000	1,015,000	900,000	2.17	3.73	5.90
2002	2,286,900	3,162,790	990,000	881,000	2.31	3.59	5.90
2001	1,958,400	2,972,160	960,000	864,000	2.04	3.44	5.48

Data Source:

City of Dover Budget and Budget Resolutions

Notes:

- (1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
- (2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
- (3) Sewer charges are based on the amount of water consumed.
- (4) One hundred cubic feet (HCF) equals 748 gallons.

City of Dover, New Hampshire

Dover's Share of the Strafford County Tax Apportionment

Last Ten Fiscal Years

(based on percentage of equalized value)

Total Equalized Values			
Tax Year	Dover	Strafford County	Dover's %
2008	\$ 2,771,603,605	\$ 10,535,297,254	26.3077874%
2007	3,030,963,132	11,365,940,726	26.6670679%
2006	2,957,658,251	11,428,976,216	25.8785931%
2005	2,912,670,592	10,943,501,422	26.6155271%
2004	2,603,256,233	9,798,715,231	26.5673221%
2003	2,307,394,165	8,651,293,933	26.6710874%
2002	2,036,499,998	7,464,648,336	27.2819282%
2001	1,794,028,135	6,480,835,631	27.6820496%
2000	1,564,564,557	5,607,449,033	27.9015386%
1999	1,357,414,368	4,861,486,637	27.9217957%

Apportionment of County Tax Levy				
Fiscal Year	County Tax Levy	Dover's Share	Dover's Share \$ Change	Dover's Share % Change
2010	\$ 26,255,790	\$ 7,030,640	\$ 258,317	3.8%
2009	25,395,827	6,772,323	850,102	14.4%
2008	22,884,637	5,922,221	172,016	3.0%
2007	21,604,701	5,750,205	295,390	5.4%
2006	20,532,046	5,454,815	1,117,923	25.8%
2005	16,260,649	4,336,892	(302,291)	-6.5%
2004	17,004,598	4,639,183	943,938	25.5%
2003	13,348,887	3,695,245	28,626	0.8%
2002	13,141,275	3,666,619	811,511	28.4%
2001	10,225,372	2,855,108	31,056	1.1%

Data Sources:

NH Department of Revenue Administration Equalization Surveys

County Tax Warrants

Adopted Strafford County Budgets

City of Dover, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt at June 30										
City Depts. (Includes Arena) (1)	\$ 23,673,243	\$ 22,628,086	\$ 25,708,328	\$ 27,332,571	\$ 30,982,814	\$ 39,661,057	\$ 45,784,300	\$ 41,974,543	\$ 48,729,256	\$ 48,276,316
Hospital	-	-	-	-	-	-	-	-	-	-
School Dept.	19,720,294	17,987,493	20,087,784	20,293,700	20,943,122	24,206,272	31,538,942	29,132,861	27,408,664	31,196,755
Total Governmental Activities	43,393,537	40,615,579	45,796,112	47,626,271	51,925,936	63,867,329	77,323,242	71,107,404	76,137,920	79,473,071
Water Fund	4,858,947	4,307,298	5,985,649	7,865,000	7,788,000	11,103,000	12,578,000	11,573,000	10,783,000	11,344,000
Sewer Fund	14,850,000	13,840,000	15,056,000	14,829,000	14,701,000	14,553,000	13,210,000	11,538,000	11,128,000	10,815,000
Arena Fund	3,930,390	4,279,500	4,034,410	3,785,920	3,542,430	3,298,940	3,055,450	2,813,960	-	-
DBIDA Fund	901,144	-	-	-	-	2,383,554	2,256,453	2,121,775	1,883,435	1,841,189
Total Debt at June 30	\$ 67,734,018	\$ 62,842,377	\$ 70,852,151	\$ 73,908,191	\$ 77,957,368	\$ 95,205,823	\$ 108,423,145	\$ 99,154,139	\$ 100,012,355	\$ 103,473,260
Base Value for Debt Limits (2)										
	\$ 1,558,792,619	\$ 1,820,083,750	\$ 2,085,144,579	\$ 2,336,898,368	\$ 2,634,930,749	\$ 2,944,329,836	\$ 2,988,313,185	\$ 3,080,283,856	\$ 3,040,617,437	\$ 2,768,903,096
Legal Debt Limits (% of Base Value)										
City - 1.75% thru 1998, 3% 1999 on (3)	\$ 46,763,779	\$ 54,601,913	\$ 61,954,337	\$ 70,100,891	\$ 79,047,922	\$ 88,329,895	\$ 89,649,396	\$ 91,808,810	\$ 91,218,523	\$ 83,067,093
School - 7% (3)	109,115,483	127,404,463	144,560,121	163,566,746	184,445,152	206,103,069	209,181,923	214,220,558	212,843,221	193,823,217
Water - 10% (3)	155,879,262	182,006,375	206,514,459	233,669,637	263,493,075	294,432,984	298,831,319	306,029,386	304,061,744	276,890,310
DBIDA - Industrial Parks (4)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings (5)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
DBIDA - Industrial Project (6)	NA	NA	NA	NA	NA	205,776,758	224,849,880	230,847,060	225,185,544	210,859,736
Debt Against Legal Debt Limits										
City Depts. (Includes Arena)	24,706,790	24,285,500	25,855,410	27,052,920	30,306,430	37,712,940	42,969,450	36,454,960	40,012,470	40,171,288
School Dept.	19,720,294	17,987,493	20,087,784	20,293,700	20,943,122	24,206,272	31,538,942	29,132,861	27,408,664	31,196,754
Water Fund	4,858,947	4,307,298	5,985,649	7,865,000	7,788,000	11,103,000	12,578,000	11,573,000	10,783,000	11,344,000
DBIDA - Industrial Parks	1,795,000	1,825,000	1,455,000	1,285,000	1,115,000	945,000	1,065,000	845,000	595,000	345,000
DBIDA - Industrial Buildings	901,144	-	-	-	-	-	-	-	-	-
DBIDA - Industrial Project	-	-	-	-	-	2,383,554	1,936,453	1,881,775	1,823,435	1,761,189
Exempt from Legal Debt Limits (7)	15,751,843	14,857,086	17,488,328	17,809,571	17,804,814	18,855,057	18,285,300	16,266,543	19,409,786	18,855,029
Total Debt at June 30	\$ 67,734,018	\$ 62,842,377	\$ 70,852,151	\$ 73,908,191	\$ 77,957,368	\$ 95,205,823	\$ 108,423,145	\$ 99,154,139	\$ 100,012,355	\$ 103,473,260
Unused Capacity of Legal Debt Limits										
City Depts.	\$ 22,056,989	\$ 30,336,413	\$ 38,098,927	\$ 43,047,971	\$ 48,741,492	\$ 50,816,955	\$ 46,859,946	\$ 52,353,850	\$ 51,206,053	\$ 42,895,805
School Dept.	89,395,189	106,416,969	124,482,357	143,275,046	163,502,030	181,896,817	177,642,961	185,087,895	185,434,557	162,628,463
Water Fund	161,020,315	177,898,077	200,528,809	226,004,637	255,705,075	283,329,984	286,253,319	294,456,386	293,286,744	265,546,310
DBIDA - Industrial Parks	2,205,000	2,375,000	2,545,000	2,715,000	2,885,000	3,055,000	2,905,000	3,155,000	3,405,000	3,655,000
DBIDA - Industrial Buildings	98,856	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-
DBIDA - Industrial Project	NA	NA	NA	NA	NA	203,393,203	222,913,227	228,965,305	223,362,109	209,068,547
% of Legal Debt Limits Used										
City Depts.	52.8%	44.4%	41.7%	36.8%	38.3%	42.7%	48.0%	43.0%	43.9%	48.4%
School Dept.	18.1%	14.1%	13.9%	12.4%	11.4%	11.7%	15.1%	13.8%	12.9%	16.1%
Water Fund	3.1%	2.4%	2.9%	3.3%	3.0%	3.8%	4.2%	3.8%	3.5%	4.1%
DBIDA - Industrial Parks	44.9%	40.6%	36.4%	32.1%	27.9%	23.6%	27.4%	21.1%	14.9%	8.6%
DBIDA - Industrial Buildings	90.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Project	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.9%	0.8%	0.8%	0.3%

Data Source
Audited Financial Statements

Notes:

- (1) In Fiscal Year 2009 the Arena Enterprise Fund was dissolved into the General Fund.
- (2) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (3) Legal debt limit percentage rates set by NH State statute
- (4) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (5) Dover Business & Industrial Development Authority - Industrial Park Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (6) Dover Business & Industrial Development Authority - Bond Limit of general obligation of 8% of local assessed value.
- (7) Debt exempt from Debt limits consists of Hospital and Sewer debt, debt for hazardous waste remediation included in City Departments and debt for Public Parking Improvements as set per NH State statute.

City of Dover, New Hampshire

Ratios of Outstanding Debt by Debt Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities - General Obligation Debt							% of Net Debt to Assessed Value	Tax Supported Debt per capita (1)
	City Depts.	Hospital	School Dept.	Total	Less Hospital Reimbursement	Less State School Aid	Tax Supported Debt		
2010	\$ 48,276,316	\$ -	\$ 31,196,755	\$ 79,473,071	\$ -	\$ 7,550,706	\$ 71,922,365	2.8%	\$ 2,433
2009	48,729,256	-	27,408,664	76,137,920	-	8,194,361	67,943,559	2.5%	2,310
2008	41,974,543	-	29,132,861	71,107,404	-	8,679,349	62,428,055	2.2%	2,135
2007	45,784,300	-	31,538,942	77,323,242	-	8,883,991	68,439,251	2.5%	2,347
2006	39,661,057	-	24,206,272	63,867,329	-	5,421,046	58,446,283	2.3%	2,009
2005	30,982,814	-	20,943,122	51,925,936	-	4,240,639	47,685,297	2.0%	1,680
2004	27,332,571	-	20,293,700	47,626,271	-	4,682,229	42,944,042	2.1%	1,497
2003	25,708,328	-	20,067,764	45,776,092	-	5,120,525	40,655,567	2.2%	1,435
2002	22,628,086	-	17,987,493	40,615,579	-	4,027,482	36,588,097	2.3%	1,312
2001	23,673,243	-	19,720,294	43,393,537	-	4,401,080	38,992,457	3.5%	1,421

Fiscal Year	Business-Type Activities - General Obligation Debt							Net debt per capita (1)	% of Personal Income (2)
	Water Fund	Sewer Fund	Arena Fund (3)	DBIDA Fund	Total	Less State Sewer Aid	Net Debt		
2010	\$ 11,344,000	\$ 10,815,000	\$ -	\$ 1,841,189	\$ 24,000,189	\$ 2,051,383	\$ 21,948,806	\$ 742	2.4%
2009	10,763,000	11,128,000	-	1,983,435	23,874,435	3,057,565	20,816,870	708	2.3%
2008	11,573,000	11,538,000	2,813,960	2,121,775	28,046,735	3,604,551	24,242,184	829	2.8%
2007	12,578,000	13,210,000	3,055,450	2,256,453	31,099,903	4,141,071	26,958,832	924	3.2%
2006	11,103,000	14,553,000	3,298,940	2,383,554	31,338,494	4,970,673	26,367,821	906	3.2%
2005	7,788,000	14,701,000	3,542,430	-	26,031,430	5,800,276	20,231,154	704	2.6%
2004	7,665,000	14,829,000	3,785,920	-	26,279,920	6,629,874	19,650,046	685	2.6%
2003	5,985,649	15,056,000	4,034,410	-	25,076,059	7,459,482	17,616,577	681	2.6%
2002	4,307,298	13,640,000	4,279,500	-	22,226,798	8,289,085	13,937,713	558	2.2%
2001	4,858,947	14,650,000	3,930,390	901,144	24,340,481	9,118,688	15,221,793	627	2.6%

Fiscal Year	Total Primary Government	Less State and Hospital	Net Debt	% of Net Debt to Assessed Value	Net Debt per capita (1)	% of Personal Income (2)
2010	\$ 103,473,280	\$ 9,602,089	\$ 93,871,171	3.6%	\$ 3,175	10.1%
2009	100,012,355	11,251,926	88,760,429	3.2%	3,017	9.8%
2008	99,154,139	12,483,900	86,670,239	3.1%	2,965	9.9%
2007	108,423,145	13,025,062	95,398,083	3.5%	3,271	11.2%
2006	95,205,823	10,391,719	84,814,105	3.3%	2,915	10.3%
2005	77,957,366	10,040,915	67,916,451	2.8%	2,364	8.6%
2004	73,906,191	11,312,103	62,594,088	3.0%	2,182	8.2%
2003	70,852,151	12,580,007	58,272,144	3.1%	2,057	7.9%
2002	62,842,377	12,316,567	50,525,810	3.2%	1,812	7.2%
2001	67,734,018	13,519,768	54,214,251	4.8%	1,976	8.1%

Data Source:
Audited Financial Statements

Notes:

- (1) Per capita ratios based on trended 2005 NH Office of State Planning population estimates
- (2) Personal Income ratios based on trended 2000 US Census amounts.
- (3) In Fiscal Year 2009 the Arena Fund was dissolved into the General Fund

City of Dover, New Hampshire

Computation of Overlapping Debt Strafford County Long Term Debt Last Ten Calendar Years

Direct: City of Dover

End of Fiscal Year	Net General Obligation Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
2010	\$ 71,922,365	100%	\$ 71,922,365
2009	67,943,559	100%	67,943,559
2008	62,428,055	100%	62,428,055
2007	68,439,251	100%	68,439,251
2006	58,446,283	100%	58,446,283
2005	47,685,297	100%	47,685,297
2004	42,944,042	100%	42,944,042
2003	40,655,567	100%	40,655,567
2002	36,588,097	100%	36,588,097
2001	38,992,457	100%	38,992,457

Overlapping: Strafford County

End of Calendar Year	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
2009	\$ 23,474,863	26.3077874%	\$ 6,175,717
2008	21,027,839	26.7774830%	5,630,726
2007	22,762,838	26.6670679%	6,070,181
2006	24,495,948	25.8785931%	6,339,207
2005	24,960,356	26.6155271%	6,643,330
2004	26,361,597	26.5673221%	7,003,570
2003	23,565,225	26.6710874%	6,285,102
2002	21,834,311	27.2819282%	5,956,821
2001	1,882,838	27.6820496%	521,208

Data Sources:

- (1) Strafford County Audited Financial Statements at calendar year end
- (2) NH Department of Revenue Administration

City of Dover, New Hampshire

Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Family Income (2)	Estimated Total Personal Income (3)	Per Capita Personal Income (2)	City (4)		Unemployment Rates (4)		
					Unemployed	Labor Force	City	State of NH	US
2010	29,563	\$ 75,820	\$ 931,500,567	\$ 31,509	910	17,390	5.2%	5.7%	9.5%
2009	29,417	73,943	903,219,568	30,704	1,072	17,580	6.1%	6.8%	9.8%
2008	29,236	72,066	874,127,164	29,899	638	18,240	3.5%	4.0%	5.7%
2007	29,161	70,189	848,410,134	29,094	579	17,550	3.3%	4.0%	5.0%
2006	29,097	68,312	823,125,033	28,289	539	17,400	3.1%	3.6%	5.1%
2005	28,728	66,435	789,560,352	27,484	504	16,442	3.1%	3.8%	5.5%
2004	28,688	64,558	765,367,152	26,679	564	16,310	3.5%	4.3%	6.0%
2003	28,329	62,681	732,984,546	25,874	564	15,987	3.5%	4.7%	5.8%
2002	27,878	60,804	698,873,582	25,069	370	15,727	2.4%	3.5%	4.7%
2001	27,437	58,927	665,731,368	24,264	320	15,557	2.1%	2.8%	4.0%

Data Sources:

- (1) Trended 2005 NH Office of State Planning population estimates, 2000 and 1990 US Census.
- (2) Trended amounts based on 2000 and 1990 US Census information.
- (3) Estimated based on trended population and per capita personal income.
- (4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.
Reflects calendar year ending during fiscal year (mid-fiscal year).

City of Dover, New Hampshire

Principal Employers

Current Year and Nine Years Ago

Employer	Type of Business	2010			2001 (2)		
		Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Liberty Mutual Insurance Co	Insurance	2,639	1	15.18 %	1,177	1	8.03 %
Wentworth Douglas Hospital	Hospital	796	2	4.58	950	2	6.48
City of Dover (FTEs)	Municipality	686	3	3.94	760	3	5.18
Strafford County	County Government	487	4	2.80			
Measured Progress	Scholastic testing	429	5	2.47			-
Churchill Medical Systems	Manufacturer - medical kits	206	6	1.18			-
Fosters Daily Democrat	Newspaper	109	7	0.63	200	6	1.36
Park Nameplate	Nameplates for auto/cosmetics	98	8	0.56			-
Hirel Systems	Manufacturer - Electronics	83	9	0.48			-
Dell Services (Perot Systems)	Defense Tech System Contractor	77	10	0.44			-
Electrocraft (EAD Motors)	Electric motors & fans				150	7	1.02
Goss (previously Heidelberg Harris)	Manufacturer - Presses				600	4	4.09
Moore Business Forms	Form handling equipment				300	5	2.05
Total Principal Employers		5,610		32.26 %	4,137		28.21 %
Total City Employment (1)		17,390			14,665		

Data Source:

Final Official Statements for City of Dover bond issues and information provided by City's Business Assistance Office.

Notes

(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year.

(2) Numbers 8,9 and 10 unavailable at this time

City of Dover, New Hampshire

Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Finance										
Taxable property parcels assessed	8,673	8,735	8,888	9,009	9,103	9,187	9,552	9,685	9,808	9,825
Property transfers processed	1,012	1,038	1,146	1,194	1,170	1,198	977	781	712	746
Motor vehicles registered	28,536	29,190	29,990	30,622	30,775	30,210	30,247	29,840	27,665	28,334
Inspection Services Division										
Number of inspections conducted (1)	553	589	640	637	623	782	1,214	1,278	4,227	5,112
Building Permits Issued	626	646	629	654	572	531	522	398	349	401
Estimated construction value in millions	\$ 49.28	\$ 51.25	\$ 42.87	\$ 55.95	\$ 45.88	\$ 53.58	\$ 74.20	\$ 53.51	\$ 33.74	\$ 29.82
Police (2)										
Physical arrests	1,263	1,559	1,585	1,252	1,245	1,349	1,469	1,213	908	789
Traffic violations	1,855	2,210	1,803	1,468	1,313	1,400	1,319	1,686	1,326	1,138
Parking violations	10,761	10,063	7,983	8,472	8,374	8,499	10,507	8,522	7,795	7,720
Fire and Rescue										
Calls answered	4,881	5,078	5,077	4,794	5,147	5,021	5,085	5,146	5,018	5,549
Emergency Responses	2,702	2,728	2,797	3,038	3,197	3,200	3,712	3,923	3,844	4,244
Fires extinguished	120	135	135	104	72	101	101	152	277	306
Emergency medical responses	1,875	1,896	1,949	2,144	2,224	2,175	2,441	2,692	2,349	2,814
Community services - Public Works										
Refuse collected (tons)	4,625	4,750	4,880	5,000	4,996	5,853	5,267	5,407	4,919	3,941
Recycling (tons)	2,750	2,820	2,875	2,080	2,823	3,017	4,255	3,036	2,532	2,518
Streets resurfaced (miles)	5.5	5.5	5.5	6.0	4.5	13.1	8.0	2.6	6.9	3.0
Public Library										
Volumes in collections	96,243	94,274	99,992	101,114	99,321	100,247	103,884	104,004	107,701	104,639
Total volumes borrowed	247,757	265,225	267,448	274,052	270,692	278,396	279,332	290,402	299,346	288,512
Human Services - General Assistance										
Number of contacts	1,949	2,366	2,421	3,328	3,935	4,956	4,010	4,763	4,987	6,362
Applicants	386	456	580	610	650	698	664	685	685	1,651
Assisted cases	277	386	453	479	487	536	521	532	507	540
Water system:										
Water main breaks	NA	NA	NA	NA	4	2	13	18	16	16
Daily average consumption (millions of gallons)	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.5	2.8
Peak daily consumption (millions of gallons)	3.5	3.9	3.4	3.2	3.4	3.4	3.6	3.6	3.5	3.2
Sewage System:										
Daily average treatment (millions of gallons)	2.7	2.7	2.7	2.7	2.6	2.8	2.8	2.9	3.1	2.8

Data Source:
Various city departments

Notes

- (1) In FY 2009 the Building Inspection Division and Fire Inspection Division were combined into one Division.
- (2) Calendar year ending during the fiscal year

City of Dover, New Hampshire

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	10	10	10	10	10	10	10	10	9	9
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	3	3
Number of ladder trucks	2	2	2	1	1	1	2	2	2	2
Number of pumpers	4	4	4	4	4	4	3	3	4	4
Number of support vehicles	7	6	5	5	5	5	6	6	6	6
Number of ambulances	3	3	3	3	3	3	3	3	3	3
Community Services - Public Works										
Miles of streets	129	130	131	131	131	132	132	133	133	133
Miles of storm drains	56	56	57	57	64	65	67	67	69	69
Number of street lights	1,800	1,825	1,831	1,836	1,770	1,773	1,773	1,777	1,776	1,776
Number of bridges	11	11	11	11	11	11	11	11	11	12
Recreation:										
Community centers	2	2	2	2	2	2	1	1	1	1
Number of parks	15	15	16	17	18	18	18	18	25	25
Park acreage	210	210	236	250	274	274	274	274	235	235
Playgrounds	9	9	10	11	11	12	12	12	15	15
Baseball/softball fields	6	7	8	10	10	10	10	10	6	6
Football/soccer fields	4	4	5	7	7	7	7	7	2	2
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	9	9	9	9	9	9	10	10
Indoor gyms	2	2	2	2	2	2	1	1	1	1
Indoor ice skating rinks	2	2	2	2	2	2	2	2	2	2
Water system:										
Miles of water mains	132	133	133	134	148	149	151	155	153	153
Number of service connections	7,450	7,500	7,656	7,900	7,993	8,040	8,124	8,156	8,218	8,270
Storage capacity in gallons (millions of gallons)	5	5	5	5	5	5	5	5	5	5
Maximum daily capacity of plant (millions of gallons)	3.4	3.4	3.4	3.4	3.4	3.4	4	5	5	5
Number of fire hydrants	NA	NA	960	960	967	1,050	1,093	1,107	1,107	1,107
Sewage System:										
Miles of sanitary sewers	86	112	112	112	117	117	120	120	120	120
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	6,260	6,387	6,488	6,700	7,154	7,215	7,332	7,398	7,464	7,542
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7

Data Source:

Various city departments

City of Dover, New Hampshire

City Government Employees by Function - Full Time Equivalents Last Ten Fiscal Years

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Executive (1)	12.2	11.8	12.7	11.4	13.5	12.6	12.9	13.7	12.7	8.0
Finance (1)	15.5	15.7	15.7	16.0	16.0	16.0	16.0	16.0	16.0	20.0
Planning (2)	8.9	8.9	9.5	10.0	10.0	10.6	10.6	9.6	5.5	4.8
Total General Government	36.6	36.4	37.8	37.4	39.5	39.2	39.5	39.3	34.2	32.8
Public Safety										
Police - Sworn Officers	51.5	53.6	54.6	54.6	54.6	55.7	52.6	50.5	48.4	47.4
Police - Non-sworn employees	22.8	23.5	24.0	24.0	24.5	25.6	27.1	27.6	25.6	26.8
Total Police Department	74.3	77.1	78.7	78.7	79.1	81.3	79.7	78.1	74.0	74.2
Fire and Rescue (2)	48.6	48.9	48.9	50.3	50.3	54.6	54.6	54.6	61.1	61.7
Total Public Safety	122.9	126.0	127.6	128.9	129.5	135.8	134.3	132.7	135.1	135.9
Public Works										
General Fund functions (3)	43.3	44.5	44.6	43.5	43.4	43.8	39.4	38.5	36.6	37.3
Water	12.5	13.5	13.5	13.5	13.5	13.5	13.0	13.0	13.0	11.0
Sewer (4)	17.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	17.0
Fleet maintenance	5.9	5.9	5.9	5.9	6.0	6.0	5.7	5.0	5.0	5.0
Total Public Works	78.7	79.9	80.0	78.9	78.9	79.3	74.2	72.5	70.6	70.3
Culture and Recreation										
Recreation (3)	35.8	36.7	36.5	33.8	34.4	33.5	33.1	34.9	34.8	36.2
Public Library	15.1	15.4	15.7	15.6	15.5	15.8	15.8	14.8	13.8	13.5
Total Culture and Recreation	51.0	52.1	52.1	49.3	49.9	49.2	48.9	49.7	48.6	49.7
Human Services										
Welfare (5)	4.5	5.4	5.4	5.4	5.3	2.8	2.8	2.8	2.8	2.8
Total Human Services	4.5	5.4	5.4	5.4	5.3	2.8	2.8	2.8	2.8	2.8
Total All Functions	293.7	299.7	302.9	299.9	303.0	306.4	299.5	297.0	291.3	291.5
Percent of Total										
General Government	12.5%	12.2%	12.5%	12.5%	13.0%	12.8%	13.2%	13.2%	11.7%	11.2%
Public Safety	41.8%	42.0%	42.1%	43.0%	42.7%	44.3%	44.8%	44.7%	46.4%	46.6%
Public Works	26.8%	26.6%	26.4%	26.3%	26.0%	25.9%	24.8%	24.4%	24.2%	24.1%
Culture and Recreation	17.4%	17.4%	17.2%	16.5%	16.5%	16.1%	16.3%	16.7%	16.7%	17.1%
Human Services	1.5%	1.8%	1.8%	1.8%	1.7%	0.9%	0.9%	0.9%	1.0%	1.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

Notes

- (1) The City Clerk Office was transferred from Executive Department to Finance Department in FY10.
- (2) The Building Inspection Division of the Planning Department was transferred to the Fire and Rescue Department in FY09.
- (3) A reorganization of personnel occurred in 1996 concentrating maintenance workers to Public Works.
- (4) The operations of the Wastewater Treatment Plant were taken over from a private firm in 2000 after a 5 year contract.
- (5) The Youth Resource Div of Human Services was transferred to the Police Dept in FY06.

City of Dover, New Hampshire

School Building Information

Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Garrison Elementary										
Square feet	49,678	49,678	49,678	49,678	55,178	65,938	65,938	65,938	65,938	65,938
Teachers	30.6	31.0	30.0	31.3	24.9	25.5	31.5	31.5	33.7	34.4
Capacity	612.5	612.5	612.5	612.5	672.5	672.5	672.5	672.5	672.5	672.5
Enrollment	496.0	496.0	440.0	428.0	400.0	379.0	512.0	523.0	541.0	536.0
Horne Street Elementary										
Square feet	39,914	48,236	48,236	48,236	48,236	48,236	48,236	48,236	48,236	48,236
Teachers	20.6	22.8	25.3	23.8	26.4	24.4	22.4	22.4	25.5	24.2
Capacity	567.5	612.5	612.5	612.5	612.5	612.5	612.5	612.5	612.5	612.5
Enrollment	348.0	334.0	391.0	435.0	447.0	474.0	358.0	370.0	365.0	370.0
Woodman Park Elementary										
Square feet	73,108	73,108	73,108	73,108	73,108	73,108	105,178	105,178	105,178	105,178
Teachers	29.5	26.0	33.0	27.5	29.8	30.8	32.3	32.3	28.9	30.6
Capacity	477.5	1,702.5	477.5	477.5	477.5	477.5	594.0	594.0	594.0	594.0
Enrollment	433.0	446.0	462.0	479.0	460.0	454.0	468.0	482.0	506.0	537.0
Totals All Elementary Schools										
Square feet	162,700	171,022	171,022	171,022	176,522	187,282	219,352	219,352	219,352	219,352
Teachers	80.7	79.8	88.3	82.6	81.1	80.7	86.2	86.2	88.1	89.2
Capacity	1,657.5	1,702.5	1,702.5	1,702.5	1,762.5	1,762.5	1,879.0	1,879.0	1,879.0	1,879.0
Enrollment	1,277.0	1,276.0	1,293.0	1,342.0	1,307.0	1,307.0	1,338.0	1,375.0	1,412.0	1,443.0
Dover Middle School (1)										
Square feet	164,000	164,000	175,020	175,020	175,020	175,020	175,020	175,020	175,020	175,020
Teachers	66.0	67.0	69.2	73.5	67.7	75.0	72.9	72.9	67.7	66.4
Capacity (2)	1,220.0	1,220.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0
Enrollment	1,034.0	1,086.0	1,137.0	1,142.0	1,098.0	1,082.0	1,109.0	1,116.0	1,094.0	1,077.0
Dover High School										
Square feet	215,975	215,975	226,735	226,735	226,735	226,735	226,735	226,735	226,735	226,735
Teachers	96.7	102.6	106.8	107.4	110.6	110.4	116.8	116.8	116.8	112.8
Capacity	1,600.0	1,600.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0
Enrollment	1,682.0	1,670.0	1,682.0	1,742.0	1,658.0	1,666.0	1,779.0	1,692.0	1,728.0	1,649.0
Totals All Schools										
Square feet	542,675	550,997	572,777	572,777	578,277	589,037	621,107	621,107	621,107	621,107
Teachers	243.4	249.4	264.3	263.5	259.4	266.1	275.9	275.9	272.6	268.4
Capacity (2)	4,477.5	4,522.5	4,842.5	4,842.5	4,902.5	4,902.5	5,019.0	5,019.0	5,019.0	5,019.0
Enrollment	3,993.0	4,032.0	4,112.0	4,226.0	4,063.0	4,255.0	4,226.0	4,183.0	4,234.0	4,169.0
Food Service - All Schools										
Number Meals Served	310,365	336,015	341,679	352,406	351,783	333,139	340,863	335,834	341,272	355,209
Avg Daily Participation	1,724	1,867	1,898	1,958	1,954	1,851	1,894	1,866	1,896	1,973

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

Notes

- (1) In 2001 a new Middle School replaced the Junior High School/Middle School. Grades changed from 6th through 8th to 5th through 8th.
 (2) Capacity of old Middle School is not known.

City of Dover, New Hampshire

School Department Operating Statistics Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Attendance Percentage
2010	\$ 40,699,081	\$ 3,934,140	\$ 44,633,221	4,169	\$ 10,706	5.5%	268.4	15.5	94.6%
2009	39,216,997	3,761,337	42,978,334	4,234	10,151	2.1%	272.6	15.5	94.6%
2008	37,912,706	3,689,854	41,602,560	4,183	9,946	7.8%	275.0	15.2	95.2%
2007	36,203,218	2,799,270	39,002,488	4,226	9,229	6.2%	275.9	15.3	94.6%
2006	34,363,074	2,598,888	36,961,962	4,255	8,687	2.3%	266.1	16.0	94.5%
2005	32,065,504	2,448,119	34,513,623	4,063	8,495	8.0%	259.4	15.7	95.2%
2004	30,922,459	2,316,331	33,238,790	4,226	7,865	1.3%	263.0	16.1	94.8%
2003	29,751,613	2,178,843	31,930,456	4,112	7,765	5.0%	264.3	15.6	95.0%
2002	27,670,695	2,148,055	29,818,750	4,032	7,396	11.0%	249.4	16.2	NA
2001	24,653,632	1,941,623	26,595,255	3,993	6,660	15.5%	243.4	16.4	NA

Data Source:

Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:

- (1) Budget is for the General Fund only and excludes grant funds and cafeteria fund.
- (2) Enrollment is based on start of year census.

City of Dover, New Hampshire

School Educational and Service Information Last Ten Fiscal Years

	2001	2002	2003	Fiscal Year		2006	2007	2008	2009	2010
				2004	2005					
Dover High School										
Senior Enrollment (1)	329	314	344	357	355	353	411	393	391	382
Status of Seniors (2)										
Graduated	292	287	333	352	336	335	372	366	352	378
Enrolled in four-year college	123	121	160	143	141	140	167	162	180	177
Enrolled in two-year college	49	54	57	68	74	60	76	84	70	88
Enlisted in Armed Forces	10	12	11	16	10	10	5	18	10	14
Post-secondary, workforce or other	110	100	105	125	104	125	124	102	92	99
SAT Mean Scores										
Verbal	497	508	519	515	518	503	518	512	497	500
Math	499	510	518	511	516	504	520	517	507	508
% of Seniors taking test	63%	62%	65%	65%	65%	62%	61%	62%	63%	60%

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:

- (1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.
- (2) As of end of fiscal year.

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